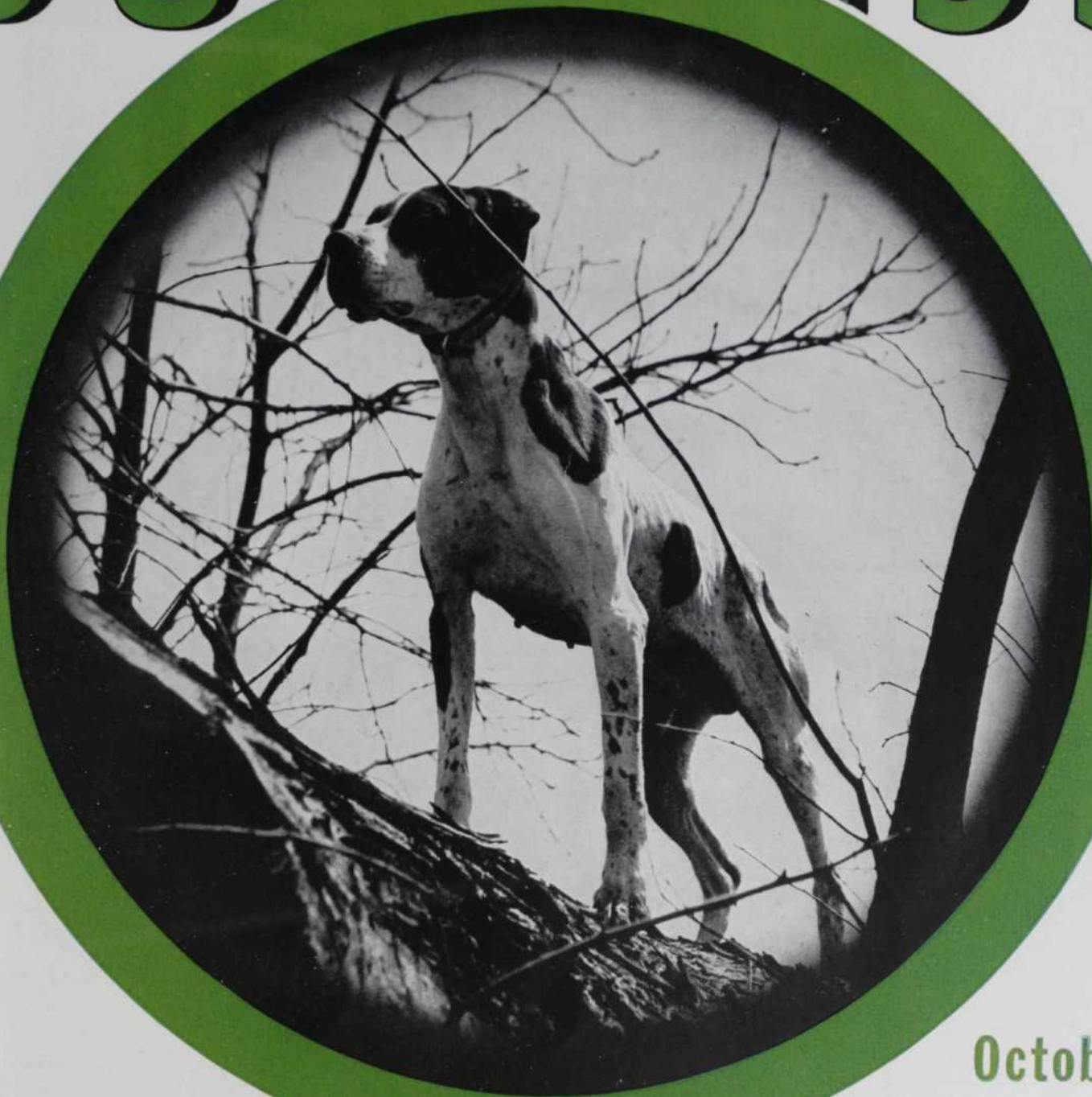


NATION'S BUSINESS



Example—page 11

October
1937

A Test Tube for Unemployment • First Aid for Labor Ills • Can Commercial
Banking Continue? • As Drama Sees the Business Man

STEAMSHIP COMPANY CO-ORDINATES CARGOES ON LAND AND SEA BY **TELETYPEWRITER**

With widely separated units — ports on the Gulf and in the Caribbean, branches throughout the mid-west and eastern United States — Lykes Brothers Steamship Company faced a real co-ordination problem. Bell System Teletypewriter Service helped solve it simply and profitably.

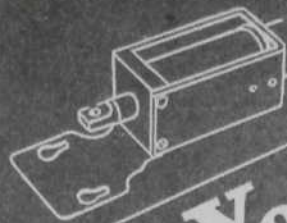
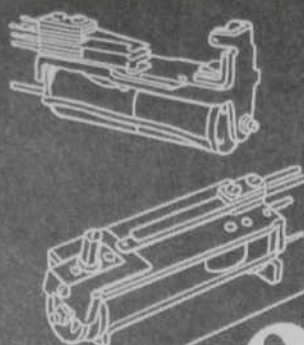
Now all operations are charted at headquarters in Houston, Texas. With the speed of typing-by-wire, branches have up-to-the-minute information on rates and space available on ships. Handling of cargoes is minimized. Branches secure bids on small space shipments at low cost, and keep customers posted on prices and delivery.

A Lykes official says of Teletypewriter Service that its accuracy, alone, saves time and dollars for the company. Your business, like Gulf, Sinclair, Richfield and thousands of other subscribers, may use it profitably. Call a Bell System representative and talk it over. No charge.

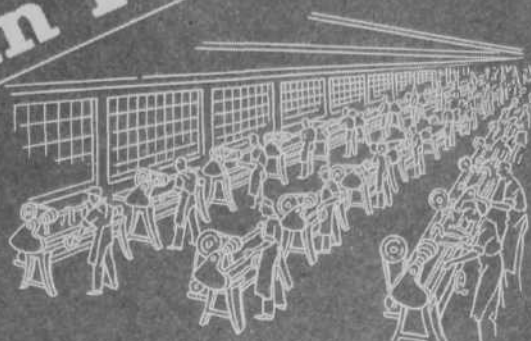


- Private Line Teletypewriter Service
- X Teletypewriter Exchange Service (TWX)
- ✱ TWX and Private Line Services
- Other Branch Offices





PRECISION In Your Plant



For Unfailing Precision, **Use ELECTRICAL CONTROL**

Adapted to your machines and production processes, this modern magic will provide absolute control of quality and a degree of precision heretofore unknown

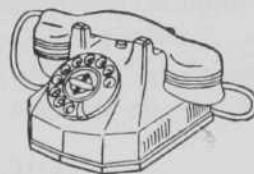
Automatic Electric's engineers offer a specialized service in the adaptation of electrical devices to industrial processes. Forty years ago, they developed and perfected the automatic telephone—one of the most conspicuous successes in the history of applied electricity. Today, the same basic principles that made the automatic telephone a marvel of speed and precision and the world's outstanding example of "Electrical Remote Control" are being successfully used in many ways to reduce costs and improve quality in industrial production.

Whenever electrical precision is used to replace the fallibility of human hands and minds, there is a corresponding gain in efficiency and better control over quality. It means substituting accuracy for error, speed for laboriousness, exact knowledge for uncertainty, and all of these at a lower cost than before.

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*Originators of
The Automatic Telephone*

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... *this service is near*

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Texaco supplies the solution—nationwide distribution of products . . . 2070 bulk plants for quick service . . . skilled engineering help. In seven years Texaco users have captured 14 awards for efficient fleet operation. Call

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G-E research and engineering have saved the public from ten to one hundred dollars for every dollar they have earned for General Electric

GENERAL  ELECTRIC

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What CAST IRON PIPE means to the

Housewife



TURN the faucet and there it is . . . water...pure and plentiful...brought to your door by a cast iron water main. For this blessed convenience, give thanks to a French king who, nearly 300 years ago, built the first cast iron public water supply system. Its cast iron mains still bring water to the faucets of Versailles. So, cast iron pipe serves your convenience not only, but, through its long life and economy, makes pure running water so cheap you can use it freely.

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CAST IRON PIPE

FAITHFUL SERVANT OF THE PUBLIC



QUESTIONS our readers are asking:

- 1 • WHO are the unemployed? What jobs have they previously held? How much did they earn in boom times?
ANSWER ON PAGE 15
- 2 • JUST what is the United States Conciliation Service and what does it do in labor disputes? ON PAGE 18
- 3 • WHAT does the American working man think of all this row between labor unions? ON PAGE 21
- 4 • I SEE many banks are going after personal loan business and using this pay-as-you-go check plan. Will they all come to that eventually? ON PAGE 24
- 5 • WHAT two rules of living in Washington are generally observed? ON PAGE 27
- 6 • WHAT is to prevent the South from getting the share of the nation's industry to which it is entitled? ON PAGE 33
- 7 • WHAT do these people who complain that business men are fascists really mean? ON PAGE 35
- 8 • DO you suppose the railroads will ever get back the passenger business they once had? ON PAGE 38
- 9 • WHERE do they get this idea that 20 per cent of my pay goes for taxes? ON PAGE 56
- 10 • WHAT'S going on in Washington? ON PAGE 66
- 11 • IF the South continues to increase its diversified farming, what effect will that have on other farm areas? ON PAGE 76
- 12 • I DON'T approve of a lot of the things that are being done, but what can I do about it? ON PAGE 82
- 13 • IS the stock market illiquid, and, if it is, are the Securities Commission's regulations to blame? ON PAGE 88
- 14 • UNDER what conditions is a universal and stable unionism possible? ON PAGE 104

What is Coming in November . . .
Turn to Page 130

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BISCUITS . . Uneeda, Nabisco, Shredded Wheat—constant figures go into the making and selling of them. National Biscuit Co. have used Monroes for years, both at headquarters and in their branch offices.



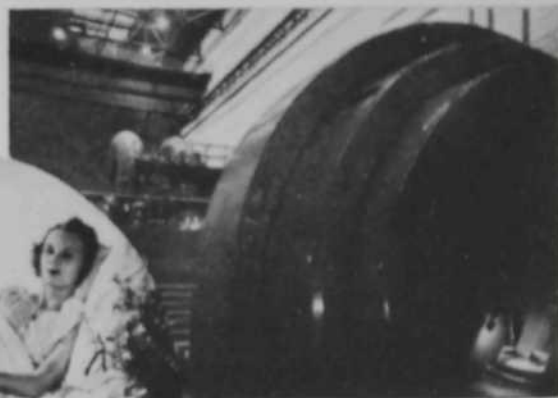
LIFE . . Publishers need figures of every sort. Subscriptions, costs, rates, statistics. Time, Fortune, and Life, the newsworthy picture magazine, all use Monroes; both adding-calculators and listing machines.

SPEED . . Series 3 short-cut dials, electric dials clearance, electric shift, "Velvet Touch" keys, automatic division—this new Monroe Adding-Calculator, Model MA-7 is known as "The Fastest Producer of Business Figures."



MORE THAN 100 MONROE-OWNED BRANCHES SERVE AMERICAN BUSINESS

The lion's share of the nation's figure work is being done by Monroes because Monroe machines turn out the greatest volume of accurate answers in the shortest time, with a minimum of strain on the figure workers. Use coupon for interesting illustrated booklet.



POWER . . Figures pour out of public utilities as regularly as current—rates, taxes, bills, payrolls, statistics. Monroes are favorites for this work, and there is a Monroe model exactly suited for every figuring requirement. Among recent sales to public utilities are more adding-calculators for Public Service Company of Oklahoma.

HEALTH . . Maybe you don't think of hospitals as a business. They have a lot of figure work to do, and among the recent purchasers of Monroe adding-listing machines is St. Luke's Hospital of New York.

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EVERY FIGURE JOB

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LISTING MACHINES
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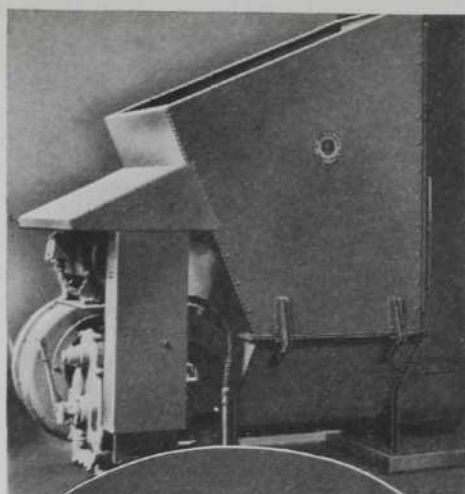
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GENERAL OFFICES • ORANGE, N.J.

Please send me the free booklet, "Give a Thought to Keyboards," that describes the Monroe line.

Name _____

Address _____



IRON FIREMAN cuts fuel costs at Allen-A



An Iron Fireman stoker is the very heart of plant modernization. An installation of this automatic coal burner makes an old boiler young, increases its efficiency, enthuses management with Iron Fireman's ability to provide better heat or power for less money.

At the Allen-A Company of Canada, Ltd., Iron Fireman has paid dividends 4 ways: cut fuel costs; reduced firing room labor; provided steady power; increased boiler efficiency. Speaking for Allen-A's satisfaction with Iron Fireman, Lee L. Moore, Manager, says: "We are well pleased with your equipment and recommend it to anyone considering a machine of this type."

Accept This Free Offer

You want better heat or power, particularly if you can get it for less money than you are now paying. We believe Iron Fireman will do this job for you as well as it has for Allen-A and for thousands of other progressive firms.

We will make a free firing survey of your boiler room and submit a report on the economies and betterments you may expect with Iron Fireman firing. With the facts before you we leave it to your own judgment whether you can longer afford to waste what Iron Fireman users are saving. Consult your dealer, or write for literature to 3296 W. 106th St., Cleveland. Iron Fireman is quickly installed in homes and in commercial boilers developing up to 500 h.p. Easy terms. Iron Fireman Mfg. Co., Portland, Oregon; Cleveland; Toronto. Dealers everywhere.



Allen-A is one of the most popular names in hosiery in Canada. Above is the Allen-A plant at Hanover, Ontario.

IRON FIREMAN

AUTOMATIC COAL BURNER

Through the EDITOR'S SPECS

Macaulay vs. Micawber

NO, Indignant Subscriber, you should not resent being called a Lord Macaulay. To one who knows his history, it is a compliment.

Macaulay was a liberal, not a conservative; a Whig, not a Tory; a reformer and not a reactionary. Macaulay had a great belief in people and little regard for the omniscience and omnipotence of rulers. Here is what he said on that point:

"Our rulers will best promote the improvement of the nation by strictly confining themselves to their legislative duties." And he added that if the government would observe strict economy in every department of state, "the people will assuredly do the rest."

Now there was an Englishman, created by Dickens, who lived about the time of Macaulay. His name was Micawber. He was a lovable gentleman, generous, with an engaging smile, but he did not know the value of money.

The "ever-expectant" Micawber believed in spending more than he earned. He believed that the budget should be balanced even if money had to be borrowed to do it.

Micawber was popular, but if the American business man had to choose between the two, he would prefer being called a Macaulay.

Small talk

A small man with a small mustache,
Who had spent the last 15 years
Behind the desk
Of a Government Bureau,
Instructed us last evening
On the oppression of labor
By industry.

"But," suggested one of the party,
A physician,
"If the life of a factory worker
Is so 'drab'
And 'stultifying',
Professionally I have not found
That of the big executives
Enviably
With its 24-hour responsibilities
And persistent problems."

"Oh"—the government administrator

Patiently enlightened him,
"An executive doesn't have problems.
He relegates them."

So this is business!

HO-HUM, for a dull old world.

Fish fly; yes, some of them. But oysters?

Well, there was a young engineer experimenting around on what you might call "traffic promotion." Result: Big, luscious Chesapeake oysters, luxuriously housed in a balsam wood ice box, boarded a United airliner at mid-afternoon on a Tuesday; Wednesday noon they journeyed through the streets of San Francisco; Thursday evening, on the half-shell on Honolulu dinner tables. Actually in transit, thirty-nine hours.

Page that Inca Emperor, Son of the Sun, who had relays of fleet runners bringing him fresh fish from the ocean at about the time Columbus was plowing slowly westward in ships about the size of those building in Seattle today and which soon will fly.

Add flying lobsters

P. S. Never mind to worry about Inca, after all. From his empire as it is today comes a report: flying lobsters!

Out of the Pacific along Chile's shore, lobsters which have the No. 1 rating throughout South America, into a special plane, a three-mile-high climb over the Andes, 750 miles of flight; and on the evening of every Friday, epicures in the most swagger restaurants in Buenos Aires pay prices and rejoice.

And the smallest load has been 1,200 pounds.

Other people's money

THE visitor drew up a chair and sat down.

"Gosh!" he said. "I'm glad I'm not in Washington often. I was in a government office, a new one, waiting. I'd done plenty of that."

"The secretary was just getting settled. She went out and she brought in a man. They conferred, and he left. He returned with two colored helpers."

Problem.. FUEL ECONOMY Solution.. AUTOMATIC CONTROL

Only Minneapolis-Honeywell can give you a choice between Electric, Pneumatic, or a combination of Electric and Pneumatic Control.

AUTOMATIC Control is the solution to any problem pertaining to the economical operation of any heating or air conditioning system. Not only will automatic control provide better inside weather, but frequently pays for itself in a short time, through fuel savings.

The Minneapolis-Honeywell Modutrol System offers three distinct types of control — All Electric, All Pneumatic, or Electric-Pneumatic, a combination of both. An M-H Modutrol Engineer will analyze your problem and make impartial recommendations as to type of control system best suited to your needs.

Minneapolis-Honeywell is the only control manufacturer in a position to offer this impartial advice. The M-H Engineer will not try to "sell you" a system. He will weigh your problem and recommend accordingly. Before you buy controls, ask his advice. It will cost you nothing. Minneapolis-Honeywell Regulator Co., 2923 Fourth Ave. So., Minneapolis, Minnesota.

MINNEAPOLIS HONEYWELL

Modutrol Systems

FOR THE CONTROL OF
LARGE SPACE HEATING



One of them lifted a typewriter from a window ledge, carried it ten feet to a desk and put it down. Then the three men went out.

"Honest, it happened just that way."

He was very earnest, as if we might not believe him.

Soft rubber camouflage

MANY of those funny faces you see in the movies are achieved by latex rubber fitted mold-tight to the features so that no matter what form the visible caricature takes the movements of the wearer's face are reflected on the mask. That is why a pig or dog face on a human being in a fairy story grins or scowls in such a human manner. The material is so sensitive that it will communicate the slightest twitching of the facial muscles.

Making these masks is the business of the Rubbercraft Corporation of California, Los Angeles, headed by Charley Merralls. Some time ago Mr. Merralls was called upon to make some rubber alligators, as the real flesh and blood 'gator is not easy to train as a gentle swimming companion. He caught an old bull asleep, plastered him over and took clay molds of his head and front end. From these molds rubber alligators realistic to the last wart and spike were made, with interior mechanisms that caused their mouths to open and close and their eyes to flicker.

Also, when fierce, vindictive villains wield daggers or swords, or swing gun butts in the pictures the chances are the actors take no risk because the weapons are of rubber.

Circumstances alter cases

AN appreciative audience of 50 or more news men were gathered around the President in his office at the White House. He was talking about the loopholes in the Income Tax Law as they had applied to himself. He owned a barn, he said, built during the administration of George Washington, which had been appraised by an insurance company at \$4,000. From the first inception of the income tax until the barn burned down in 1928 he had regularly deducted from his gross income 2½% a year for depreciation on this ancient structure, although, of course, at that rate of depreciation all value would have been wiped out back around 1830, some 100 years before.

That conversation took place in 1934. In 1937 the President might have included it in the special message he sent to Congress condemning the use of technicalities in income tax returns as "clever little schemes" that "undermine the foundation of

society" and involve "the decency of American morals."

Piece work in Russia

W. GIBSON CAREY, president of Yale & Towne Manufacturing Company and world traveler, told a group of business paper men recently that on his last trip to Russia he observed the practically universal application of piece work wages in Soviet factories. And yet our left-wing unions with all their professed admiration for the New Atlantis of Lenin and Stalin oppose piece work as a capitalistic trick to exploit the worker.

Not all the intellect among leaders of the trades union movement seems to have perceived the basic inconsistency of their aims. More money and less work just doesn't wash. Either one alone is a perfectly legitimate objective. But there is no way to reconcile higher wages on the one hand with shorter hours and lower production on the other. When a bricklayer's union asks for increased wages but insists that a workman shall not be permitted to lay more than a certain minimum number of bricks in a day it is taking from the employer the very means to increased production efficiency by which he can afford to pay the increase in wages. Such action is quite as fallacious as the conduct of English textile workers of a hundred years ago who smashed machinery on the ground that it would put them out of jobs.

Fallacies over the radio

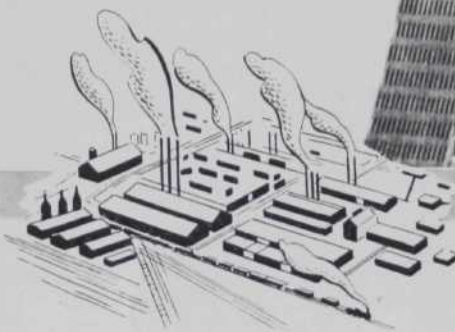
Willing hands have a right to a living. No system is sound that can behave as ours did for 15 years. The boss makes too much money. The rich are not producers. Business is sore because it doesn't run the Government any more.

And thine shall be mine

THE worst aspect of making a free man a social animal, of leveling down distinctions, is not the demand that I share what I have with others, says Ortega y Gasset, the Spanish thinker. That, he could regard with equanimity, but not the idea that "what is theirs be mine."

A little reflection will show how really terrifying to all who do not wish to be completely submerged in the mass is the thought of having to share the ideas, tastes, prejudices and fallacies of others whom we know. Which recalls Schopenhauer's remark that even "intercourse with others involves a process of leveling down. The qualities which are present in one man and absent in another cannot come into play when they meet; and

INDUSTRY'S NO. 1 DRIVE



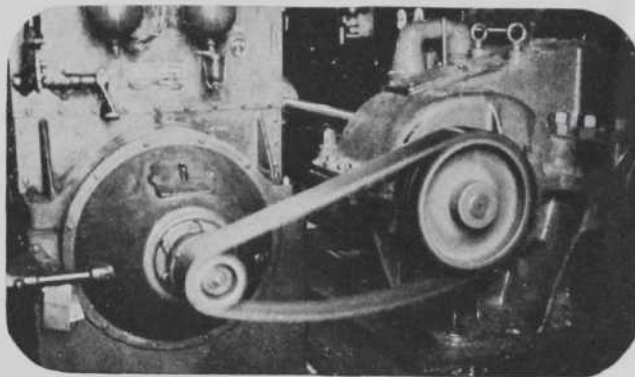
Industry's choice for dependable power transmission, Morse Positive Drives!

When Morse Drives are turning your production wheels, the production level rises—and stays there! Power losses end, costly interruptions for repairs or maintenance diminish—for Morse Drives are performance proven and trouble-free. Operating costs come down as production goes up!

Teeth, not tension, is the principle behind the performance of these great drives. No slippage. No power loss. Longer life. Fewer repairs. Yet, Morse Drives cost no more than ordinary, less satisfactory types.

The Morse representative nearest you will be glad to give you complete information. Or, write direct to Morse, Ithaca.

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Positive DRIVES*



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MORSE positive DRIVES

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"Look, Mother!
I FIXED
THE LIGHTS!"

Making electricity SIMPLE is as big a job as making it WORK

WHEN the lights go out, even an eight-year-old like Billy Martin can restore them, if the house has a NOFUZE load center. Instead of a fuse blowing when a circuit is overloaded, a little lever trips, showing which circuit is "out." If the cause of the overload has passed, a flip of the lever will restore service. If not, the protection remains.

This safe, simple device is being

put into most new houses, and it can be installed in any home for a very few dollars. It is one of the improvements that Westinghouse engineers are constantly providing to make "electric" and "automatic" mean the same thing.

When electricity was new, people used to think it took an expert even to change a light bulb. Today, the operation of all sorts of electrical devices is as natural as breathing.

This does not mean that the basic principles of electricity have become any simpler. It does mean that electrical engineering, as typified by Westinghouse, has harnessed these principles so well that their operation is something the youngest mind can grasp.

Billy Martin "fixed the lights"—but a number of men worked hard for many years to make it possible for him to do it.



Westinghouse

The name that means everything in electricity

the self-sacrifice which this entails upon one of the parties calls forth no recognition from the other."

While the wealth is being shared, debts also would be shared. A sharing of profits implies as well a sharing of deficits. Gladly would we have for ourselves some of our neighbor's worldly substance, but not at the cost of shouldering part of his cross. We would like to have part of his money, yes, but no part of his shrewish wife, his ungrateful sons, his poor relations, his noisy dog, his ugly house or his own repulsive mannerisms.

Example

FOR years the ant has been pointed out as a paragon of industry worthy of the study and emulation of all mankind. This month on its cover, through the photography of H. Armstrong Roberts, NATION'S BUSINESS presents the bird dog as a better example for the guidance of both business men and politicians.

In the first place, no one has ever discovered in the ant either a sense of humor or a noticeable pride in accomplishment. The ant works because he has nothing else to do.

The bird dog, on the other hand, goes about his labors with a joyous eagerness that neither ants nor humans can readily duplicate. It is noticeable, however, that those who most nearly approach his skill in making work a pleasant adventure are those whose accomplishments are the greatest.

The dog has an advantage over humans in that he has been bred for generations with a view toward better fitness for his intended tasks. However, even though blessed with an inborn instinct for the chase, he must be trained from puppyhood in the ways of his trade and, despite similar parentage and similar training, a few pups from a litter turn out to be better bird dogs than their brothers and sisters.

The significance of this has apparently escaped the theorists who advance plans for putting leashes on humans who demonstrate an ability to outstrip their fellows.

How to escape oblivion

REPRESENTATIVE Griswold of Indiana, speaking on the wages and hours bill, impressed the country with the fortitude with which members of Congress face the inevitable. Mr. Griswold said:

I warn you that there are gentlemen here who are going to a political Gethsemane when they vote on this bill. There are gentlemen who will be politically crucified no matter which way they vote. I have some friends here whom I like and respect, good conscientious legisla-

tors, who are going to vote for this measure and sink into political oblivion. I know men who are just as good and just as conscientious, who are going to vote against it and suffer defeat as a consequence.

The conclusion is that in many instances the reward of a Congressman is oblivion if he votes for a measure, and oblivion if he votes against it. Since it is oblivion if you do and oblivion if you don't, it will occur to many that a Congressman might be saved from the fate he fears more than death itself by becoming a fatalist. He would then be able to concentrate on the merits of legislation, and by voting his honest convictions establish a place for himself so unique that he would escape oblivion.

QUESTION RECEIVED by Harriet M. Root, Chief of the United States Information Service: "Where could I get a position connected with the wild life of the Government?"

ECONOMIC NOTE: The Workers' Alliance, which picketed our offices recently, is a union of relief workers. Its platform calls for a \$4,000,000,000 fund, minimum wages, maximum hours, promotions, and among other things, two-weeks' vacations.

BRIGHTEST WASHINGTON QUIP OF THE MONTH. Congressman Knutsen, commenting upon the report that Governor Graves would appoint Mrs. Graves to the United States Senate, said: "Well, I trust she'll be able to provide an office force without going outside of the family."

A VACATION seems to be something The head of an organization Can give But never get.

IT DOESN'T MAKE SENSE DEPARTMENT: The Vermont State Employment Service issued an urgent call for 2,000 lumberjacks to cut wood pulp on jobs lasting at least through the summer, and at good pay. The same paper, Brattleboro, Vt., *Daily Reform*, carried the report of \$1,500,000,000 appropriated for unemployment relief.

ON SECOND THOUGHT: Could we possibly have overlooked something, we folks who have been sure that everything has been wrong in the worst of all possible worlds, and who have been sure that we can fix it tomorrow morning? Says President Dods of Princeton: "Each of us requires the spur of insecurity to force us to do our best."

OVERHEARD AT TUGWELLTOWN: "So this is the house our \$16,000 of jack built!"

Here's the NEW TYPE of HARDWOOD FLOOR business likes so well



PRIVATE OFFICES



SALESROOMS



GENERAL OFFICES



PLANTS



DISPLAY ROOMS



STORES

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Millions of feet of Bruce Blocks are already in use in the business world. The wide range of grades and prices on different hardwoods provides a floor for every purpose and every budget. You can select walnut or oak for private offices and reception rooms; oak, beech or maple for general offices, salesrooms, stores, plants, etc.

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Collectivism, Made in America

ONE of the hardest fallacies still in circulation is that the American plan has failed and therefore some form of collectivism is necessary for America's salvation. This loose thinking has sired a brood of alien policies and practices. From it has issued the fixing of prices for pants-pressing and potatoes, the handling of relations between employer and employe, the building of houses, the selling by instalment of electric toasters—all by the federal Government.

Caught off-balance in the early 'thirties, the nation was stampeded into the belief that the old-time home remedies of thrift and fortitude must be replaced by foreign elixirs. Mr. Russell Greenman in this number clearly describes one reason for this: our folly in lumping everybody not working as employable, and therefore deserted wards of industry. The alien panaceas assumed various forms of collectivism: socialism, here; fascism, there; in this, communism; in that, syndicalism.

Virile America, with a morning-after headache, was stood up in a corner and forced to swallow European remedies of last recourse—promises of security against disease, unemployment, speculation, long hours, low wages, competition—everything from security against the inexperience of youth to the incapacity of old age.

With true American impulsiveness, the plans were hailed as new and as made in America. What irony! America had had its own private brand of collectivism, had grown strong on it and, in fact, because of it, was the envy and the despair of the older countries.

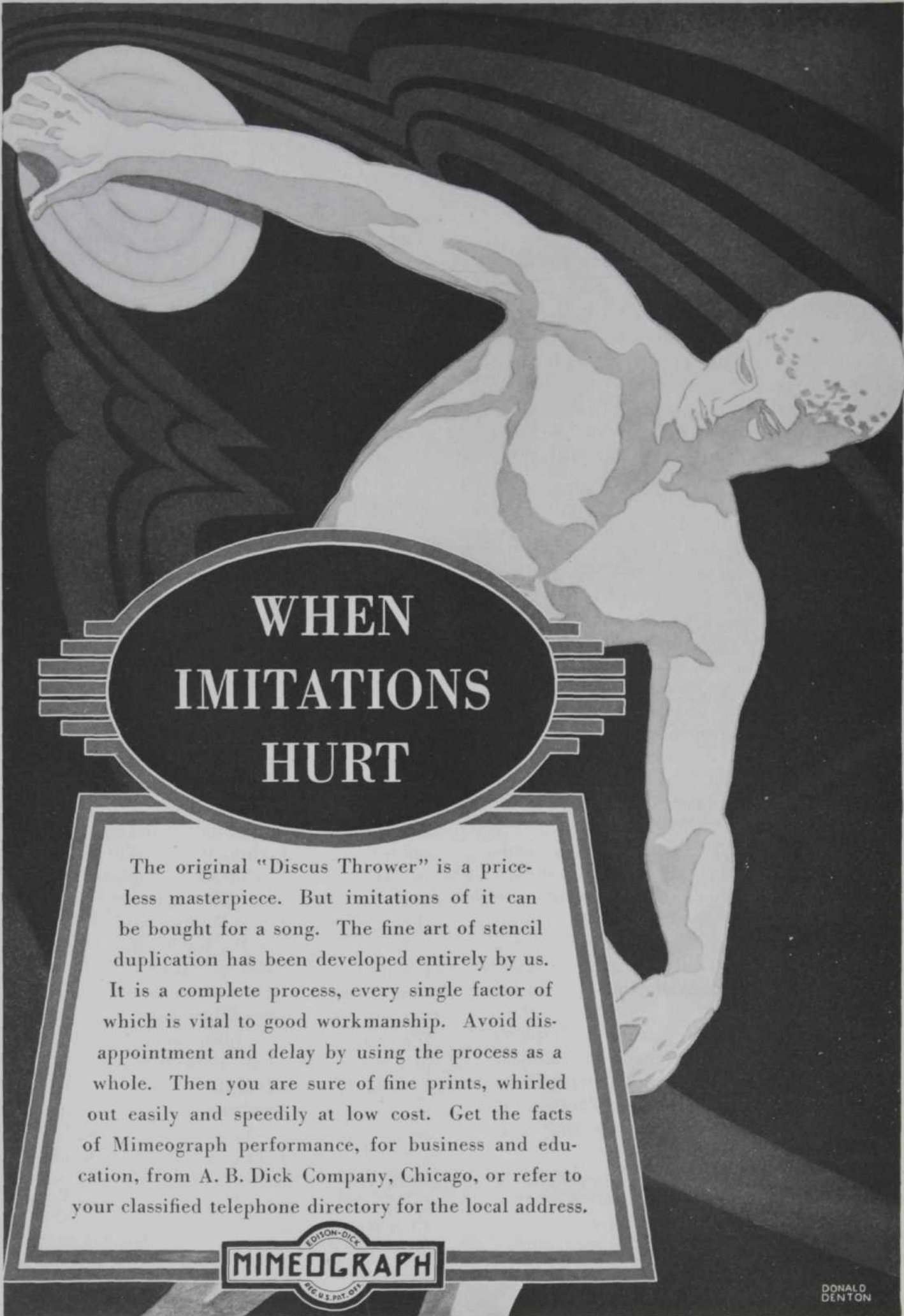
There was this difference: The American collectivism was a voluntary one. The new brands prescribed were based upon coercion and compulsion. True, the pill was sugar-coated. The schemes were introduced as "cooperative," but the cooperation turned out to be of the shot-gun variety.

Voluntary group effort, as opposed to the European brands, has been a part of the United States since the first town-meeting. Group effort fought the Indians. Benjamin Franklin said it: "Hang together or——." Consciously or unconsciously the name chosen for that unity of interest and action exemplified it in "The United States of America." We carried on from learning team-work on the baseball lot, to the community effort of chamber of commerce, and to industry's effort of trade association.

America's collectivism is a social, economic and political voluntarism. It is the action of free men. It has this virtue: If the plan of a voluntary group proves abortive, it is promptly "washed up"—there is no political inhibition against admitting a mistake. Interesting enough that every one of the group efforts spawned by political compulsion over the world since the war were discovered and practiced by free individuals working together voluntarily, everything from "social security," in the guise of insurance, to employment agencies, collective bargaining, house-financing through building and loan associations.

Some day, when the fever runs its course, perspective will return. America will recall that the rest of the world once gazed with envious eyes at our ability to get things done through team-work, once coveted the national advantages such "collectivism" gave us. Ultimately the attempt to regain our national stride through bureaucratic compulsion will be recognized as impossible. This stride will again be possible only when free men voluntarily pool their enterprise and enthusiasm to make their community, their industry, and their country more prosperous.

Mere Thorne



WHEN IMITATIONS HURT

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DONALD
DENTON

A Test Tube for Unemployment

By RUSSELL L. GREENMAN

"A Permanent Charge Upon Us"

NOT so long ago an enterprising manufacturer took the trouble to look into the relief situation in a city where his company had large-scale operations. He asked the relief authorities to have their "clients" checked against his pay rolls. He found that some 800 of his regular employees were receiving federal relief. Not that they needed it. Quite the contrary, because their wages were high and their work was steady. They had attached themselves to the public treasury simply because it was so easy to get away with it and it seemed a smart thing to do.

About two years ago, at the suggestion of NATION'S BUSINESS, a municipal official conducted a realistic investigation into the previous employment records of 100 unemployed men on relief. The results were recorded in the November, 1935, number of the magazine. He found that during the years 1920-1930 the average man in the group worked only 27 days a year. Some had not worked at all, being congenitally opposed to labor. Others who were willing to work were unresourceful. There were definitely two groups, the unemployable and the employable.

Not all relief is graft

SUCH instances may not be at all typical. By no means are all the recipients of relief either grafters or loafers. It is to be hoped that these classes constitute a negligible minority of those receiving public aid. Indeed, if abuses of the relief system were confined to downright graft, the problem would be much easier. Unquestionably the relief rolls include large numbers of the physically incapacitated, the mentally incapacitated, and both the unskilled and skilled who are ready and eager to work but, for some reason or other, haven't been able to find suitable employment. Doubtless some of them

IN THIS COUNTRY unemployment is no longer a condition. It has become a CAUSE. The leaders of this cause have proceeded on the premise that our economic system has either entirely broken down or outlived its usefulness, since, once having provided work on a high standard of living for millions, it has been unable to flatten out the business cycle, and since it could not give continuous employment to every one under any and all circumstances. From this assumption has grown the succession of experimental methods for repairing the business machine and, indeed, of substituting something else for it.

We did not stop to make sure that the premise was right. We have had constantly before us the picture of millions of men eagerly looking for work. For the most part, the components of this picture were drawn from some other area or community, not from our own. There has been a good deal of skepticism on the part of many of us that the situation has not been so bad as it has been depicted.

But no one with any tact has dared to question the amount of "misery and distress" and its causes for fear of being labeled hard-boiled, selfish, and anti-social. In the absence of analysis of the real picture, it has almost been taken for granted that the economic machine that had stood the test for 150 years had to be replaced by something entirely different, a regimented society. Political control of crops, of wages and hours, of machinery, of the people's savings, of the people's right to buy, were to be part of the substitution.

Belatedly, skepticism reaches a point where there is more demand to find out just what elements in the unemployment situation warrant all these drastic changes in government, in business operations, and in society at large. To satisfy its own curiosity, NATION'S BUSINESS asked Crossley, Inc., an economic fact-finding agency, to analyze a typical sample of those on the relief rolls. The survey disclosed that, of 100 persons working on WPA projects or receiving direct relief, fewer than half had previously worked as employees in any field of business.

It would be foolish to say that such a small survey in one city would provide sufficient evidence upon which to base a national policy, but certainly the results are significant enough to warrant more detailed analyses of the four or five million people who, WPA Administrator Hopkins says, are to be a permanent charge upon the rest of us.

TABLE I • Previous Employment of Entire Group

Occupation	Number of Persons		
	Male	Female	Total
Employment in any field of business	35	9	44
Public Employment	1		1
Personal and Domestic Service	5	23	28
Self-employed	6		6
No Occupation	3	18	21
Total	50	50	100

TABLE II • Previous Occupations of Those Working in Private Enterprise

MEN			
Occupation	No.	Occupation	No.
Accountant	1	Mover	1
Acetylene Burner	1	Picture Frame Maker	1
Bricklayer	1	Pipe Layer	1
Brick Maker	1	Plasterer	1
Cabinet Maker	1	Porter	1
Carpenter	2	Salesman	1
Cement Worker	2	Seaman	2
Cook	1	Stable Man	1
Driver	1	Stevedore	1
Electrician	1	Stove Repairer	1
Fire Flue Inspector	1	Teamster	2
Fur Worker	1	Timekeeper	1
Janitor	1	Upholsterer	1
Laborer	3	Varnisher	1
Machine Shop Helper	1	Total	35

WOMEN			
Occupation	No.	Occupation	No.
Collar Setter	1	Laundry Worker	1
Dishwasher	1	Saleswoman	3
Factory Worker	3	Total	9

job. But, if it should be established that the preponderant number of those counted as unemployed are actually unemployable, they might well be given better treatment than they are getting today.

It is easy enough to explore the facts whenever public authorities are willing to cooperate. Now the 1935 sample survey that was suggested by NATION'S BUSINESS was confined to the post-war decade. Consequently, to obtain a better perspective of the records of relief recipients both during the depression and the fat years of 1928-1929, this summer NATION'S BUSINESS engaged the firm of Crossley, Inc., to make another survey.

What's behind relief?

THE underlying reasons for having this survey conducted may be more important than the results. What concern is it to business men to know anything about the background of the persons being supported at the public expense if they are genuinely in need? It is not the cost of relief alone. The record stands that business men, like all other reputable citizens, have always been willing and eager to support all reasonable measures for mitigating personal distress wherever it may be found. The real reasons for the survey come from reflection upon the recent evolution of governmental measures advanced in the name of prevention and relief of unemployment.

For more than five years *unemployment* has been a political shibboleth. Every man who has had a political hobby, whether for one year or for 40 years, quickly seized upon the specter of enduring mass unemployment as the reason for immediate action upon his legislative proposal. All the time, no one has known how much was really unemployment and how much was a mixture of what heretofore had been outright charity cases or cases of dependency on relatives. Whatever the volume of unemployment, it has been too great. But no figure could be too high for those who sought to make unemployment the excuse, if not the reason, for launching grandiose schemes for political control of production, agriculture, and, in fact, all phases of economic activity ranging from the moving of whole communities to Alaska to regulating the price charged for pressing a pair of pants.

Government has glorified unemployment. It continues to do so. Without an assumed menace of continuing large-scale unemployment, many of the most drastic measures being proposed for enactment by the coming Congress would have virtually no public appeal.

are carpenters and plasterers and the local construction industry is having a bad time; people aren't building; they are afraid for one reason or another.

Political medicine men feel we should not be too meticulous in looking at individual relief cases. If we begin to look at the individual who is classified as unemployed, we will not see the great national problem, characterized recently by Harry Hopkins as a permanent problem of caring for the four to five million people who, he estimates, will be constantly unemployed in the future. But the business man really knows of no other way in approaching a practical situation. He moves from the particular to the general and is not inclined to take on faith the assertions of visionary public servants. Some of these occasionally have optical illusions.

When it comes to unemployment they see what they want to see, and

expect every one else to do likewise.

The business man still believes that the whole is no greater than its parts. Hence, to obtain a real comprehension of the unemployment picture he wants to scrutinize its component units:

Who are the unemployed?

What kinds of jobs, if any, have they ever previously held?

How much did they earn in boom times?

How many of them are really hunting for work and how many, if they had jobs, would have the will power and stamina to see them through?

To seek the answers to these questions is not to look for a sadistic pleasure in discovering human beings who, through misfortune or deliberate choice, have become unable to produce the necessities and conveniences to which society has accustomed them. No one would get any satisfaction out of finding that some or all of these millions on the relief rolls are unable to do a productive

Ostensibly to advance the cause of preventing and relieving unemployment, Congress has already been asked to consider at the next session measures involving government control of the installation of machinery, further regulation of prices and profits, expansion of consumer cooperatives, and a host of other equally extraneous proposals.

These are a natural outgrowth of all the talk of planned economy that began back in 1930 and 1931. It was in those years that proposals for multi-billion programs of public works were seriously considered as a means of abolishing the business cycle. It was in 1932 that the concept of increasing business by producing less began to gain acceptance. In that year the Share-the-Work Campaign was launched with the blessing of the federal Government even though business men had already carried work-sharing to such a point as to produce hardship to the most competent and most deserving of their regular working force.

Some of the ideas implanted by demagogues in the early years of the depression are still bearing fruit. The first step was the NIRA which, many folks have already forgotten, involved a double-barreled approach to the unemployment situation. NRA codes were only half of the program; the other half was a \$3,000,000,000 public works program designed to give immediate reemployment to several million persons.

Disregard abortive results

MANY of the most vociferous proponents of even more elaborate substitutes for the NIRA either have forgotten or choose to ignore its abortive results. For example, they disregard the fact that official government estimates showed unemployment at the end of 1934 to be substantially higher than at the end of 1933 when this dual program was first getting under way.

Then there was the companion measure to the NIRA, the AAA, foisted upon the country supposedly as a means of reviving industrial employment through increasing purchasing power of the farmers.

The latest proposed substitute for the NIRA, the Black-Connery Labor Standards bill, is moribund, but not quite dead. Attempts will be made to revive it this winter and to hitch on to it other devices for placing business in a governmental straight-jacket. Sponsors of this measure, while still unaware of the volume of unemployment among persons who have worked or are capable of working as employees in private enterprise, are blithely predicting that this bill would give new employment

to at least several million persons.

But this is only a small segment of the entire legislative picture. Consider the Wagner Labor Relations Act. It, too, had unemployment as its motivating force. Since individual employers were thought to be too shortsighted or too selfish to assure the adequacy of workers' purchasing

power, the force of the Government had to be exerted, so its sponsors maintained, to make all employers shorten hours and increase wages through the pressure of compulsory bargaining.

Again, there is the Social Security Act. In its major features it was de-

(Continued on page 130)

TABLE III • Average Earnings and Days Worked Per Year

Year	Average Earnings per year*	Average Number of Days Worked per year**
1928	\$525	147
1929	520	149
1930	435	128
1931	289	90
1932	226	72
1933	179	61
1934	163	61
1935	66	32
1936	30	13
1937	8	6

* Computed by dividing total earnings by 100

** Computed by dividing total days worked by 100

TABLE IV • Typical Case Records

Case No. 56. Female—No occupation. Odd jobs and day work. Says she never worries, just "lets the Lord provide." Has never made over \$2.00 a week in her life. Never had a bank account.

Case No. 63. Male—No occupation—Lived with mother and did neighborhood odd jobs until married in 1933, then went on relief. Never had bank account.

Case No. 13. Male—General Laborer—Had small huckster business for self until September, 1930 and made an average yearly income of \$520. Has had nothing since.

Case No. 8. Male—Janitor—No work for 11 years. Janitor in schools until 1925 when hurt in line of duty. Crippled and has rheumatism. Went on relief in 1933. Has never had a bank account.

Case No. 12. Male—Shoemaker—Was in business for self until 1930, making an average of \$1500 a year. Worked 78 days in 1931 and earned \$390, and has had no work since. Never had a bank account.

Case No. 18. Female—Housewife—Husband deserted in 1925. Has lived on charity since husband left.

Case No. 20. Male—Janitor—Worked 312 days at \$468 a year during 1928 and went on relief in 1936. Never had a bank account.

Case No. 26. Male—Bricklayer—Worked 260 days in 1928 at \$3,640, 220 days in 1929 at \$3,080. Has not worked since. Went on relief in 1935. Had a bank account until 1931.

Case No. 39. Male—Picture Frame Maker—Worked 312 days in 1928 and 1929 at \$680 a year, and 156 days in 1930 at \$340. Has not worked since. Never had a bank account.

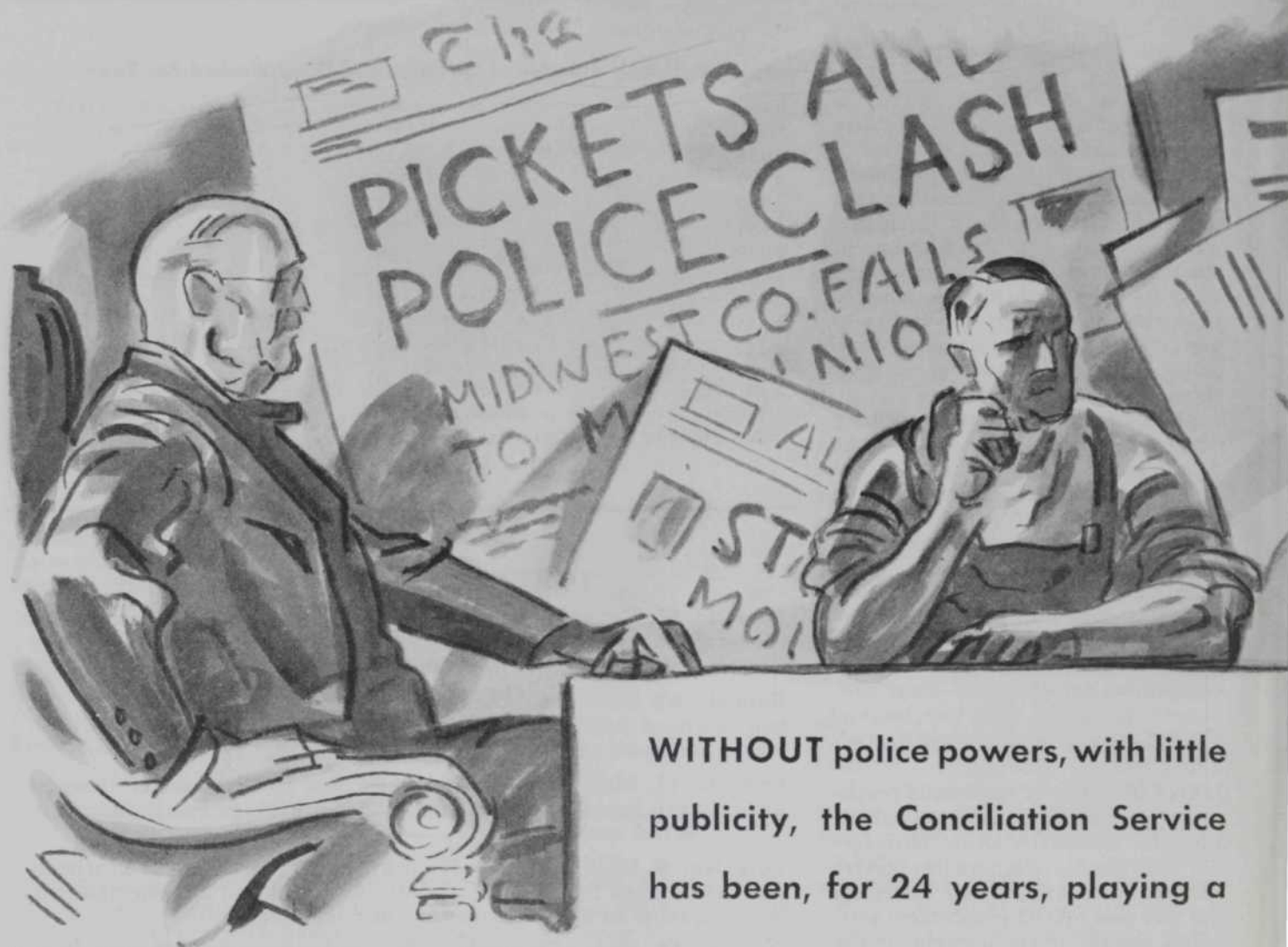
Case No. 40. Female—Housewife—Was supported by husband until his death in November, 1930. Has not worked. Two oldest children worked until they married and helped take care of mother and younger children. Never had a bank account.

Case No. 52. Female—Seamstress—Hasn't worked in 15 years. Went on relief in 1936. No bank account.

Specialized First Aid in

By DR. J. R. STEELMAN

Director of Conciliation, Department of Labor



WITHOUT police powers, with little publicity, the Conciliation Service has been, for 24 years, playing a

LOOK underneath the big strike headlines, the accounts of picket-line clashes, rival claims of gains, and mobilizations of one sort or another to maintain "peace," and you are likely to read that "federal conciliators are working to bring both sides together in negotiations" that will end the strife.

Little space is allotted to these unspectacular efforts, nor is it sought. For the reading public, the facts of the battle make more exciting news than the steps to bring peace. Yet there is vital and dramatic material in the day-to-day contribution to industrial peace made by some 40 "Commissioners of Conciliation" who visit nearly every trouble spot on the labor map and bring the free counsel and assistance of the United States Conciliation Service of the Department of Labor to employer and worker alike.

Before the American Revolution and for a number of years afterward, industrial establishments in America were, to a great extent, under individual ownership or at most a partnership composed of only a small number of members. The number of employees was limited. The owner usually knew most of those working in the plant.

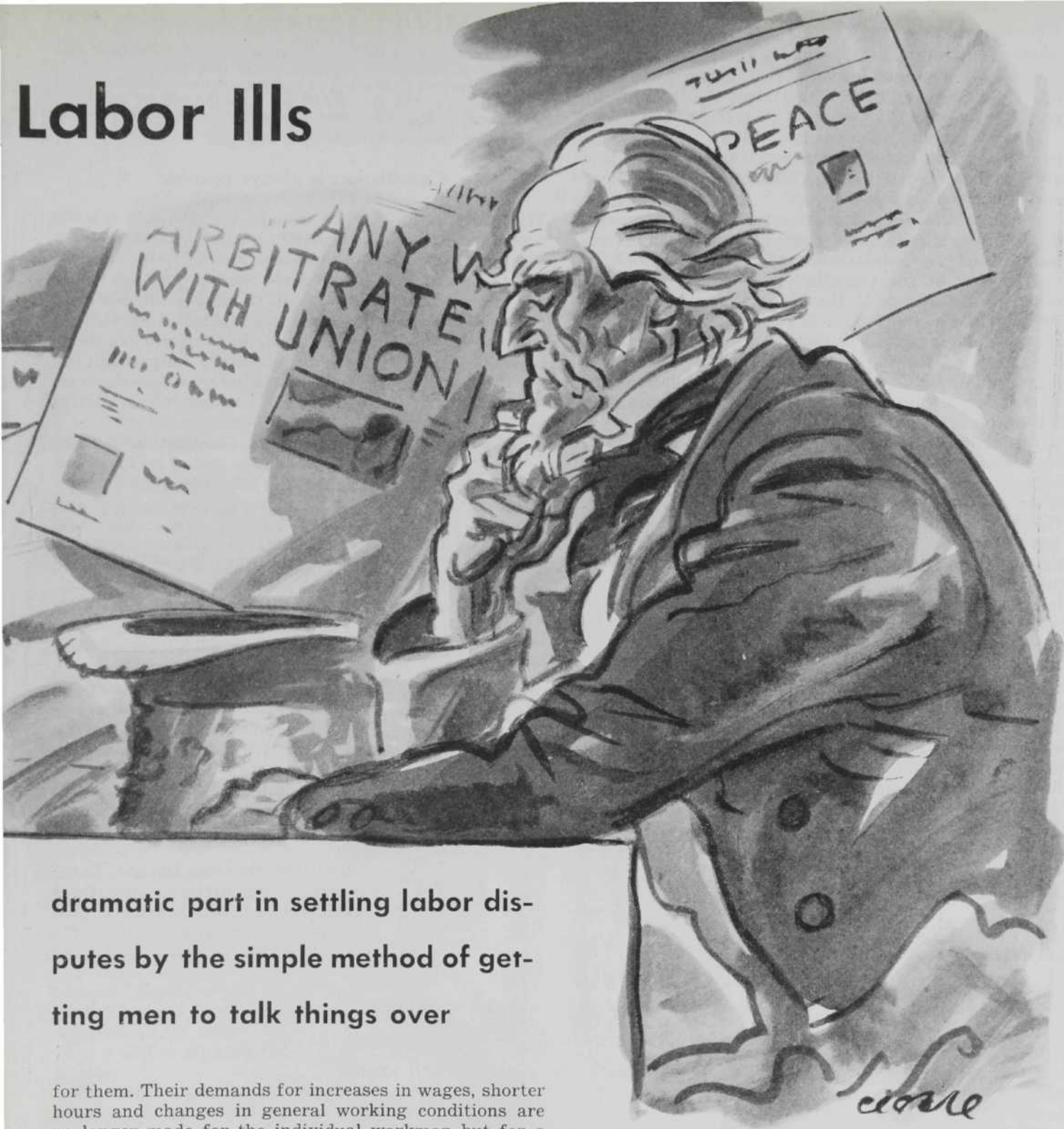
A friendly atmosphere surrounded the workshop. If an employee had a grievance he carried his problems directly to his employer. There was close personal contact between them.

With the development of the so-called factory system, however; with the rise of the corporation made necessary by the need for greater capitalization; with presidents and vice presidents, general managers and superintendents and an army of subordinate officials, it has become increasingly difficult for the individual with a grievance, genuine or fancied, to reach a responsible official. Even when he can, the official must necessarily rely upon subordinates not only for the facts but to a great extent for advice as well. The personal contact has been lost. It is no longer "Come in, John," but rather "See Mr. So and So, he will take care of you."

In view of this new condition it is not surprising that the number and seriousness of disputes between labor and management has increased.

One of the results of these changing conditions has been that employees have organized into groups—unions—and representatives are selected to act as spokesmen

Labor Ills



dramatic part in settling labor disputes by the simple method of getting men to talk things over

for them. Their demands for increases in wages, shorter hours and changes in general working conditions are no longer made for the individual workman but for a department or the entire plant or, in some instances, for an entire industry. When these demands are refused, strikes or lockouts ensue. In either case, production ceases or is curtailed. Losses in business, suffering and hardship result. Hatreds are engendered and lives are lost. At the end of each struggle, the stronger of the contesting forces has "won" something, but at what cost!

President Wilson sought conciliation

EVIDENTLY with this thought in mind, the late President Wilson, addressing the annual convention of the American Federation of Labor in 1917, declared:

"Nobody has a right to stop the processes of labor until all the methods of conciliation and settlement have been exhausted."

Though these industrial disturbances have been going on for many years, it was not until the creation of the United States Department of Labor in 1913 that any

federal agency was authorized to intervene in an effort to prevent or adjust them. The Act creating this Department provides:

That the Secretary of Labor shall have power to act as a Mediator and to appoint commissioners of conciliation in labor disputes whenever, in his judgment, the interests of industrial peace may require it to be done.

Under this authority, the United States Conciliation Service has been created. Originally it was under the direct supervision of the Secretary of Labor. Later a separate unit was established with a director in charge. Today, in addition to a director, there is a staff of approximately 40 commissioners of conciliation and the necessary clerical force to take care of the office work in connection with the activities of the bureau. The commissioners of conciliation are the field representatives of the Service. They are drawn from various walks of life. Some have been personnel managers for industrial concerns; some have received their experience and training as

workers and representatives of workers; some are former employers; some are lawyers. They enter a case absolutely unbiased and only to the extent that they fill this important requirement can they be successful.

In the beginning, the activities of the Service extended to all industries, including railroad transportation. However, with the creation of the National Mediation Board and the machinery set up under it, that agency now handles disputes involving interstate railroad transportation, though on frequent occasions the Board borrows members of the Conciliation staff for special work.

The work of the Conciliation Service is sometimes confused with that of the National Labor Relations Board. The functions of these two agencies are entirely separate and distinct. The Board acts as a quasi-judicial body, holding hearings and rendering decisions on alleged violations of the National Labor Relations Act. In that Act certain specific practices are condemned and forbidden. It is the Board's duty in any case which may be brought to its attention to determine whether the respondent is engaging in one of these unfair labor practices. If the Board, after hearing testimony, decides that the Act is being violated, it orders the respondent to cease and desist from such activities and to take such steps as may be necessary under the law to effect restitution.

On the other hand, the Conciliation Service of the Department of Labor performs no quasi-judicial functions; its duty is to help the parties to any labor dispute, threatened or actual, to reach a fair and reasonable settlement. Save in those instances where the employer and employee voluntarily submit a particular issue to the Service for arbitration, no decisions are rendered.

When signing the National Labor Relations bill President Roosevelt specifically stressed this distinction:

The National Labor Relations Board will be an independent quasi-judicial body. It should be clearly understood that

it will not act as mediator or conciliator in labor disputes. The function of mediation remains, under this Act, the duty of the Secretary of Labor and of the Department of Labor. It is important that the judicial function should not be confused. Compromise, the essence of mediation, has no place in the interpretation and enforcement of the law.

Conciliation is always possible

THE Conciliation Service may be brought into a labor controversy which is subject to mediation at any stage. The fact that a complaint has been filed with the National Labor Relations Board on some specific question would not affect this situation at all. Of course the National Labor Relations Board and the Conciliation Service cooperate. Each has its functions, and, when a representative of one finds that a dispute really falls within the jurisdiction of the other, he immediately refers the case. In this way the best service can be rendered all parties to labor disputes.

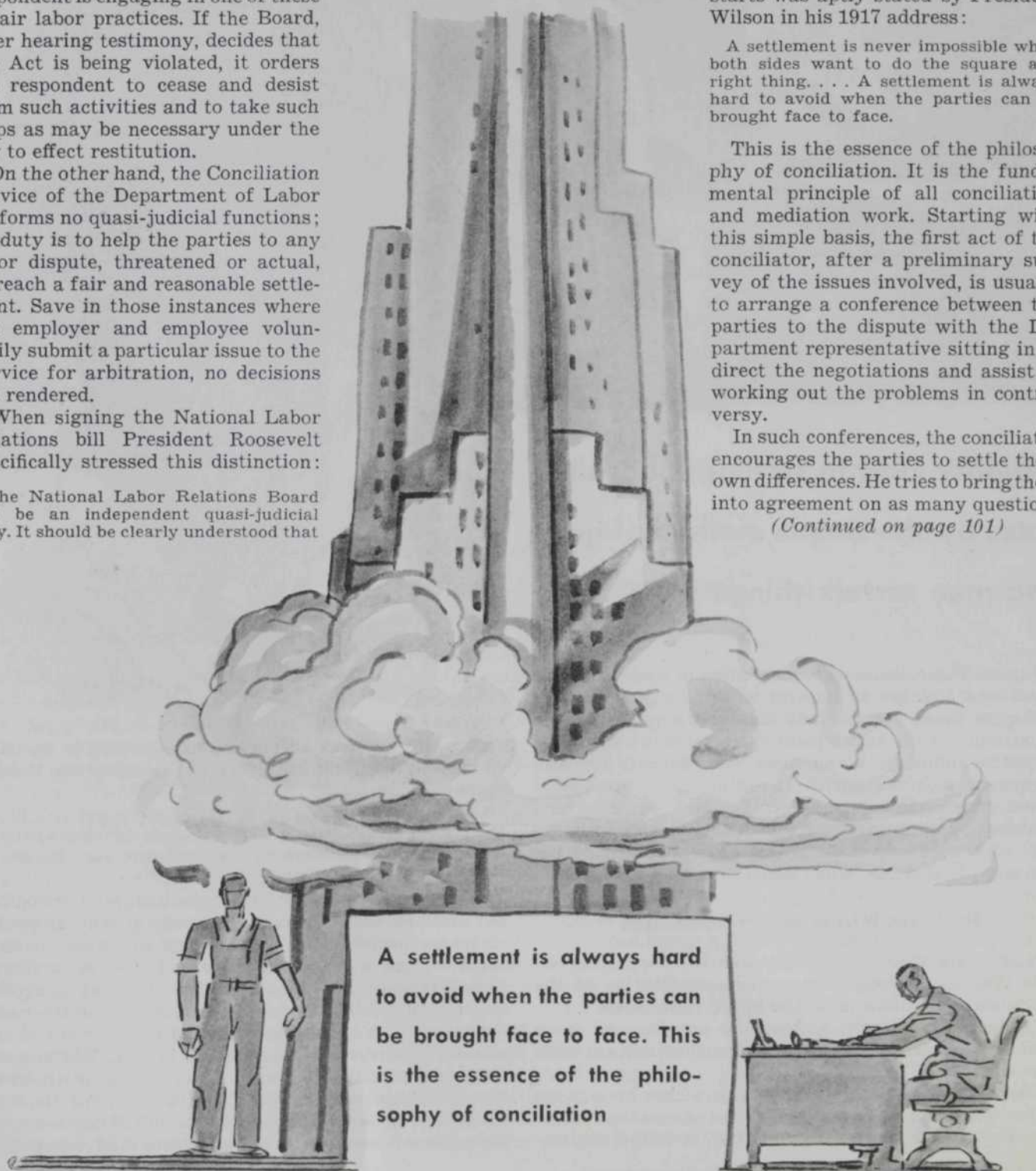
The premise from which the Conciliation Service starts was aptly stated by President Wilson in his 1917 address:

A settlement is never impossible when both sides want to do the square and right thing. . . . A settlement is always hard to avoid when the parties can be brought face to face.

This is the essence of the philosophy of conciliation. It is the fundamental principle of all conciliation and mediation work. Starting with this simple basis, the first act of the conciliator, after a preliminary survey of the issues involved, is usually to arrange a conference between the parties to the dispute with the Department representative sitting in to direct the negotiations and assist in working out the problems in controversy.

In such conferences, the conciliator encourages the parties to settle their own differences. He tries to bring them into agreement on as many questions

(Continued on page 101)



Labor's Divided Mind

By LEO WOLMAN

FOR the second time in a generation we are facing a revolution in labor relations. During the war the requirements of a war economy and intense business activity extended the area of collective bargaining, raised wages, shortened the work-week, and made the Government a party to the settlement of industrial disputes and the setting of standards of work and wages in private industry.

Now, in response to a powerful impulse to reform growing out of the disastrous experiences of the depression, the current business recovery, and the tenacious hold on the minds of many influential persons of a new and plausible body of economic doctrine, we are witnessing a similar attempt by Government to re-make prevailing relations between employer and employee and to assume responsibility for wages, employment and working conditions.

On both occasions the man in the shop has not lacked spokesmen ready to probe his mind and transmit his grievances and aspirations to the wide world. During the turbulent war years, the labor literature of both England and the United States was full of revisions of the so-called "ideologies" of organized labor movements. One of the best known titles of the period was "What's On The Worker's Mind!"

In England, discussion turned on the democratization of union management through the shop-steward system, through the rise to power of the Labor Party, and the disintegration of the employer's control of the shop through the creation of producers' cooperatives. In the United States,

the slogan was "industrial democracy," meaning to some more and better collective bargaining, and to others joint management of business enterprise of the sort embodied in the Plumb Plan. Reflecting the prevailing temper, dissenting groups arose to challenge the policies and program of Samuel Gompers. Union leaders generally had a hard time controlling their members and even the ancient railroad brotherhoods were forced to face stubborn "outlaw" strikes called and managed by the rank and file in defiance of their officers.



HARRIS B. EWING

LEO WOLMAN • has been for nearly 20 years consultant to the federal Government and to trade unions. He was chairman of the Labor Advisory Board, N.R.A.; member representing labor on first National Labor Board; chairman, Automobile Labor Board. He is professor of economics, Columbia University and a staff member of the National Bureau of Economic Research

The present revolution in industrial relations contains new elements. A wide and deep schism has divided the labor movement itself into two powerful factions each bent on destroying the other. Disputes within single unions, when they occur, are generally part of this larger struggle for supremacy between the C.I.O. and the A. F. of L. The existence of this conflict overshadows all other differences of opinion inside organized labor to the extent that even communist-controlled unions have, for the time being, surrendered their independence to the C.I.O.

Conflict in industry

ALONGSIDE this critical development in the internal relations of organized labor, a radical change has taken place in the political and economic policies of the movement and in its attitude toward the whole question of labor relations. The unions, particularly those combined in the C.I.O., have come to regard industrial relations in terms of an inevitable conflict of interest between employer and em-

ployee. The existence of identity or community of interest is denied. Many government agencies appear to share this view and apply it in their current handling of labor situations.

Traditional union policies toward state regulation of private enterprise and working conditions have been largely discarded and organized labor looks to the Government for the solution of the problems of inadequate earnings, insecurity of employment and even the form and substance of industrial relations. In harmony with this change of policy, the C.I.O.,

which acts as if it has a clearer conception of policy than the A. F. of L., is making more effective use of its political power and apparently contemplates the organization of an independent labor party.

The workman wants security

WHERE does the American working man stand on all of these developments? He obviously wants security of employment, the added leisure of a shorter work-week, provided it does not result in reducing his earnings, and honest and effective representation in bargaining with his employer. But, on the multitude of issues concerned with the best methods for achieving these ends, he is, like the rest of us, confused and uncertain.

The average American working man possesses a great fund of experience and common sense. Midst an almost bewildering succession of events, he is waiting to see what happens. His mind is far from fixed. He is engaged in making it up. While this is going on, the most any one can do is to search for clues to the trend of labor's opinion; and, for this purpose, the most important clues are those which may throw light on the average laborer's attitude toward government, employers, and organized labor.

Probably the most fundamental change in recent labor opinion is in its attitude toward the Government, and especially the federal Government. Rightly or wrongly, the average laborer now considers the Government his friend, preoccupied with his problems and bent on solving them. He considers himself a member of one of several groups of citizens whose interests have won the special and vigorous support of Government. What spokesmen for the Government want, then, plays a determining rôle in his mind and may lead him to join or quit a union, choose one from among several competing labor organizations, and revise his relations with his employer.

The reasons for this are, on the whole, clear and familiar. Labor, in common with many other groups of citizens, has identified the beginnings of business recovery and improved employment with the adoption of the economic policies of the present administration. While this improvement has been interrupted several times and at its start was of no great magnitude, it is, nevertheless, in its fifth year and by this time has assumed such proportions that nearly all labor has profited from it. It is not surprising, therefore, that labor should accept the variety of measures, from devaluation and pump-

priming to labor legislation, to which apparently the administration attributes the prosperity we now enjoy.

At the same time working men regard themselves as the chief beneficiaries of the specific measures adopted during these few years which are directed toward improving the condition of the unemployed, the underpaid, and the insecure. Regardless of the possible ultimate consequences of these measures, it is only natural that labor should be grateful to a government that has sponsored the most comprehensive program of labor law this country has yet seen. For as long as consequences are unseen and apparently unfelt, it is as futile to urge on labor the evils of such a device as wage-fixing as it is to warn the beneficiaries of public subsidy against the anticipated results of consistently unbalanced government budgets.

It is clear that this trend in labor opinion has already affected the relations of employer and employee in many industries. The evidences of increasing strain are everywhere noticeable and become constantly more widespread. As responsible public officials stress an inevitable conflict of interest between employers and employees on every possible occasion and the Government asserts its power to raise wages, reduce the hours of work and regulate the volume of employment, working men are bound to question the position of private industry and to continue to do so until changing circumstances may compel them to change their minds.

Workers know union practices

BUT it is impossible to speak with the same assurance of the present attitude of working men toward employers and unions. For we are dealing here with a direct and intimate relationship, in many cases of long standing, whose quality men in the shop are in a position to judge in terms of their personal experience. This is plainly a vastly different process from assessing in the short run the economic policies of the state.

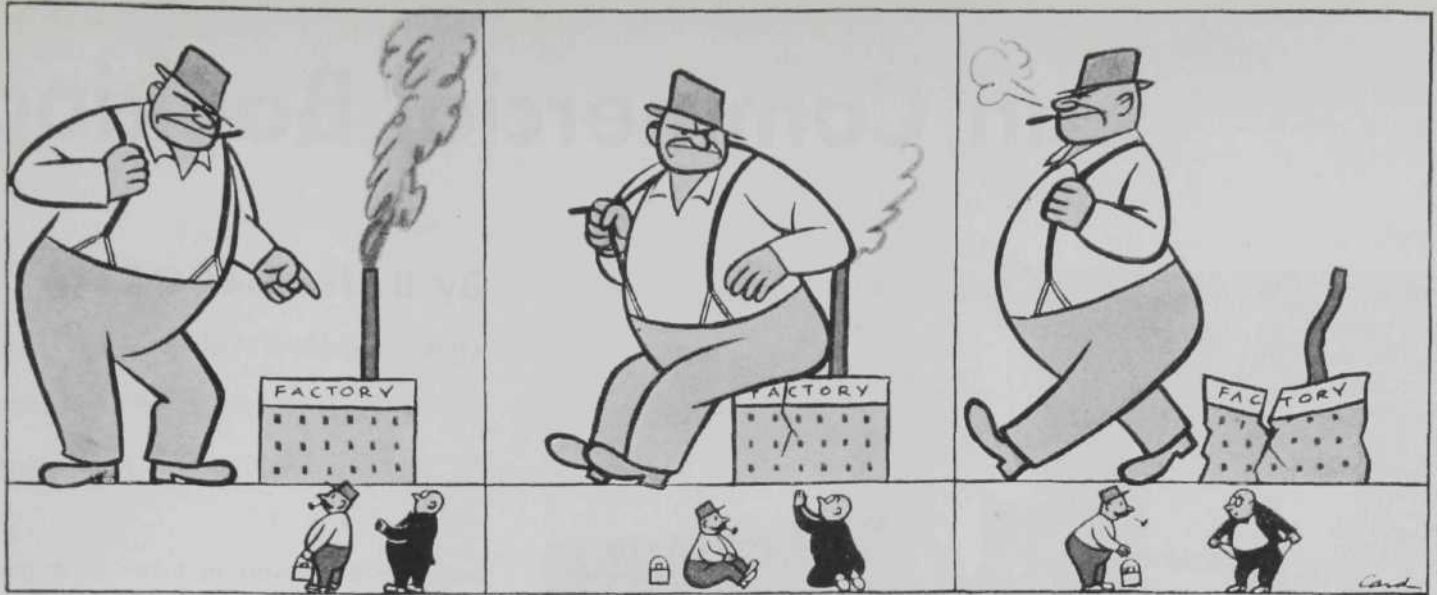
In the first place, many American workmen have from time to time belonged to unions. They know from experience what the benefits and demerits of unionism are as it is practiced in this country. They know that unions are, among other things, propaganda organizations and they are prone to take with a grain of salt the large promises made in the course of organizing campaigns. They know, for instance, that unions are not likely to destroy chiseling when business is bad, prices are falling, and employment shrinking. They may

(Continued on page 104)



H. ARMSTRONG ROBERTS

The working man wants security of employment, shorter hours, better wages, but he is uncertain as to the best ways of acquiring these



A Sit-Down Strike That Won

By D. M. CARRUTHERS

LAST March 11, a Detroit hat manufacturing company was running at top speed. Its 70 employees were working overtime. Twenty thousand dollars' worth of orders were in the house—orders from Seattle, Portland, San Francisco, Los Angeles, Indianapolis, and Pittsburgh. Trade from these and other cities had been gained by many years of enterprise. The purpose of building so wide a market was to try to keep business coming in when local markets were dull.

So this day, as for several weeks preceding, the sewing machines were roaring and the presses stamping to rush the merchandise to wholesalers in time for Easter business.

Toward three o'clock in the afternoon, a group of men gathered in the lobby six floors below. About eight of them boarded the elevator and stepped off at the sixth floor. One of them entered the office of the hat factory. He approached the president who happened to be nearest, and handed him his card saying:

"I represent the United Hatters, Cap and Millinery Workers International Union, Local number 59, and I want to see you about unionizing your shop."

The executive then asked if this union was a subsidiary of the American Federation of Labor, or of the Committee for Industrial Organization, and the organizer answered:

"Of both."

A discussion began; the other partners were called. The executives

maintained that their policy favored an open shop, and that they believed the employees did too. The union organizer disagreed. For 20 minutes the discussion continued, when without warning the roar of the machinery stopped. The power had been cut from the sewing machines.

Starting the strike

"SIT-DOWN strike!" The word was passed around. Three union men stood in the center of the workroom, and the union organizer, who had been talking to the employers, joined these men and then mounted a chair to address the workers. He told them that he and his companions were going to stay until the executives signed an agreement to hire only union members. He promised the workers food and cots for the duration of the strike. The union was not well known to these people, so much explanation and persuasion were needed.

For two nights and a day the union organizers and the workers occupied the factory. Eventually, most of the workers yielded to offers of more money and shorter hours. The organizers then approached the employers. They demanded more than a 30 per cent increase over old wages, plus time and a half for overtime labor. The owners assured them that for the past six years the company had barely made expenses and that such an increase would be ruinous. They offered instead a five per cent in-

crease; ten per cent; 15 per cent. The union men refused. Their stand was union terms or none.

In the meantime, orders were getting older. Easter wouldn't wait. To hold out meant that cancellations were inevitable. Ruin lay that way too. The executives signed, meeting all of the union demands.

The settlement was made late on a Friday. The next Monday the factory resumed production. Workers who had not been present during the strike were met in the lobby and obliged to sign with the union before they were allowed to work.

Despite the early settlement, as Easter drew nearer cancellations began coming in. In all, about \$6,000 worth of goods were cancelled by wholesalers who would not accept deliveries too close to Easter.

A comparison of the costs of production for a given period in 1936 with a like period under the new wage scale disclosed that, where formerly the factory could produce 1,600 dozen hats for \$6,300, now, to make 900 dozen cost \$6,000.

The business which had so lately weathered the depression had no reserve money to fall back upon, and the owners realized that to go on at present costs was to run hopelessly into debt. They appealed to the union organizers and to the workers for a resumption of the old rates, and they notified their largest creditors of the situation. They then wrote the Gov-

(Continued on page 118)

Can Commercial Banking

By **B. H. McCORMACK**

Of the Staff of the Wall Street Journal



C. W. Bailey, president, First National Bank of Clarksville, extends credit after examining a farm credit card. Below, Mr. Bailey inspects one of the pure bred bulls his bank lends to farmers without cost



I HAVE just returned from a tour of several eastern and mid-western states where I studied banking conditions at first hand, in an effort to get a better understanding of current problems in the pathway of the banker.

There is no common opinion among the country's bankers as to what the future holds. All—or virtually all—agree that commercial banking will continue. But when it comes to defining the form it will take there are many shades of opinion.

That is not surprising.

There are, at the moment, more than 15,000 banks in the United States. Despite the vast amount of state and federal regulations to which they are subjected they are still pretty largely independent thinkers.

What, for instance, do the bankers believe is the out-

look for a pick-up in loans to a point where they will again provide the main source of livelihood? A majority—and this includes those who are merely hopeful—look for a return of loan business. Perhaps it won't be in great volume, some of them feel, but at least it will be the principal business.

Loans may come back

SOME of the more aggressive—and more successful—bankers are definite in their belief that loans are coming back. W. R. Cobb, vice president of the Citizens Union National Bank, of Louisville, is one of these. C. W. Bailey, president of the First National Bank of Clarksville, Tenn., an efficient and successful country bank, is another.

Another mid-west banker, A. G. Brown, president of the youthful but fast-growing Ohio Citizens Trust Company in Toledo, presents virtually the same view in a slightly different manner. He says the answer lies in the success or failure of commercial banks in meeting credit needs of their communities.

To meet these needs, Mr. Brown be-



GREYSTONE
STUDIOS, INC.

A. G. Brown believes bank future depends on quality of bank service

Continue?

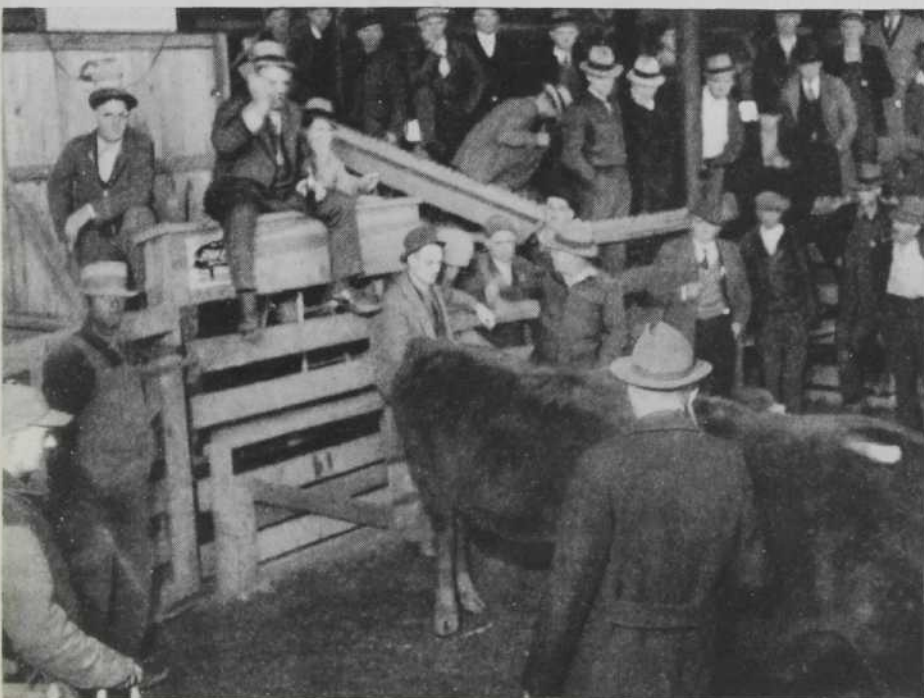
WHAT about personal loans? About pay-as-you-go checking accounts? About loans as opposed to investments in bank portfolios? Mr. McCormack asked bankers in many states these questions



Raymond N. Ball urges that banks unite to handle investment problems



A 4-H Club boy with his flock of registered Hampshire sheep. The bank lent him money to buy the flock in September, 1936. The loan was paid in full ten months later



A group of farmers at the live stock auction conducted every Wednesday in the Clarksville, Tenn., stockyards. The bank helped develop the yards, made back its investment in six months through live stock loans

lieves, the banker must sometimes limit the enthusiasm of those who want to borrow more than they should. Another banker gave an example of this need. An undertaker came into this man's bank not long ago and wanted to establish a credit line of \$25,000.

"Why that much?" asked the banker.

The man replied that he needed \$10,000 to renovate his establishment and that he'd like to be able to borrow an additional \$15,000 just in case he wanted it.

Easy credit brings trouble

IN further explanation he said that, a few years back when things were booming, he had a credit line of \$100,000. It developed, upon investigation, that the man had actually borrowed \$100,000. With such easy credit, he engaged in various enterprises with which he was not familiar, including a race horse.

As a result he lost virtually everything he had and only by hard work did he manage to erase his indebtedness. Now he wanted to do it all over again.

But the banker said, "No," and lent him \$10,000.

Disagreement among bankers as to the outlook for a return of important loan business, of course, means disagreement over whether or not investments, once a relatively minor part of a bank's business, are here to stay as the major income producer.

Increasing agitation for help in investment policies is probably the best indication that a good many leaders feel that investments can be expected to play an important rôle in bank earnings for some time.

Figures show clearly just how the

relationship of loans and investments has changed. In June, 1929, there were some 25,000 banks in the country. Their loans averaged \$1,653,000 per bank; their investments, \$676,000. By June, 1933, just a couple of long breaths after the bank holiday period of March, 1933, the number of licensed banks was 14,519. Their average loans totaled \$1,529,000 and their average investment portfolio added up to \$1,231,000.

Today the banks number about 15,500; average loans, \$1,400,000; average investments, \$1,757,000. Those are March 31 figures but they haven't changed sharply since. Although the loans are a greater per-

centage of the total than at the end of last year, we are still far from the 1929 condition when loans made up 70 per cent of the banks' total earning assets.

That is why, for instance, Raymond N. Ball, president of the Lincoln-Alliance Bank & Trust Company (Rochester, N. Y.), advocated in a speech marking his retirement as president of the New York State Bankers Association that county-wide agencies be established to assist bankers with their investment problems. The thought behind this is that small banks cannot afford to maintain a regular investment man but that, by pooling funds, they could

afford jointly to hire at least one man and an assistant to study the banks' portfolios continuously and to recommend changes. Ultimate decisions would remain with the bankers.

Indiana bankers have probably progressed farthest toward a solution of this investment problem. Since the first of this year they have enjoyed a free advisory service provided by Indiana University's School of Business Administration in co-operation with the state Department of Financial Institutions. The idea originated with H. B. Wells, dean of the Business School and formerly secretary of the Department of Fi-

(Continued on page 128)

Loud Speaker Helps Create Good Will

THE Vanadium Corporation of America at Niagara Falls has a public address system that removes all embarrassment for both speaker and workers. Workers can be reached during the 15 minutes before and after shift changes through a loud speaker that can be heard over the din of shower-baths and dressing room noises, both in the locker rooms and out in the yards. The men do not have to listen through mere courtesy because the speaker cannot see them—the speaker is not distracted because he cannot see that several of the men are paying no attention. Under such conditions a daily message can be brought to the men without any restrictions except those imposed by good judgment.

Because important news is frequently brought to them, workers are inclined to be alert to the call of the loud speaker. Often men on the outgoing shift linger to hear an important announcement repeated to men on the incoming shift. In the summer, a baseball announcement can be promised after an announcement on the use of salt tablets for preventing heat prostration. After arousing the interest of the men on topics for their personal concern it is frequently possible to create an opening for a discussion of more significant company policies. Picturesque Anglo-Saxon language is always invoked with plenty of understandable spice and slang.—John Richelson, Personnel Director, Vanadium Corporation of America

PHOTOS BY HART'S STUDIO



Use of microphone helps to reach men just before and after work

Loud speaker in locker room can be heard above all noises incident to cleaning up

Invisibly Supported

By CARLISLE BARGERON



Many an enterprise with a high-sounding title represents no association except that of a man with his typewriter

BEHIND the glazed doors of many a Washington office building it is daily proved that America's frontiers of opportunity are not yet closed. Perhaps the office has only a typewriter, a table and a chair; perhaps it is swankily furnished. Either way it is evidence of man's ingenuity and enterprise under stress. The Washington newspapermen ask few, if any, questions about them unless they want to be particularly mean, which occasionally they do.

There are, in fact, two rules of living in Washington which are fairly generally observed: Never "ask" for an invitation to the Gridiron dinner and never press a man as to how he is making a living.

At the entrance of the National Press Club there is a long table upon which daily are placed the press releases or handouts of the multiple government departments and other agencies or instrumentalities that have messages they want to get out to the world. Ten newspapers giving their entire space could not publish all these messages. They are from

long established and easily identified organizations which hope to promote the cause of labor, the veterans, the leftist or rightist cause in Spain, the Supreme Court, Mr. Roosevelt or what not.

Unknown source of income

BUT even among the enterprises of this sort, many get their financial support from sources not generally known. And not infrequently a message bobs up from as high-sounding an "organization" as you would expect to hear, perhaps something like the National Association for the Advancement of the Human Race. A peep behind the glazed door in this instance might reveal an enterprise ambitiously launched by no more of an association than that of a man and his typewriter—an association that represents merely some gentleman's ability to get somebody, somewhere, to finance him in a *movement*.

A census of Washington's in-

ANY industrial census of Washington would need to devote much space to "movements." Here is an inside story showing the way many of these are born

dustries would have to give the industry of *movements* recognition.

I have just run into an acquaintance who by turns has been a banker, a lawyer for a Greek colony and publisher of a Washington magazine. I asked him what he was doing now and he said he was with an association seeking government ownership of the utilities.

When I asked who was putting up the money he winked.

A few weeks before the Republican convention in Cleveland last year there appeared in the Press Club a man known to most of the older correspondents. He is an engaging conversationalist, personable and generally a hail fellow well met.

Getting us into conversation as we gathered around the tables in the club, he would ask who we thought was going to get the Republican nomination. We would agree that one man



Gossip travels faster in Washington than anywhere else in the country

seemed to have it in the bag. At this he would display an enigmatic smile and presently he would say:

Well, you may be right but I doubt it. It's a funny thing about him. I know him well, of course; he belongs to my fraternity. Whale of a good fellow, best fellow you ever met. I dropped in to see him the other day, cocked my feet up on his desk and we had a long chat. I'd give anything to see him President, but he can't be. He doesn't know a thing about international affairs.

This fellow had been given \$10,000 to come to Washington and spread this story.

A seat of propaganda

SOME weeks ago a group of harassed industrialists sat around a table in New York and listened to a "big shot" publicity man tell how, for \$250,000, he could change the country's radical thinking. I don't know whether he got the money. But Washington is the place where such undertakings should be launched. It is the propaganda factory for the nation.

Of the more than 500 newspapermen listed in the *Congressional Directory* approximately 200 are in the journalistic rather than the straight reportorial class. With such protective phrases as "It is learned on high authority," "Political circles are discussing" and "It is said," the sky is the limit in their freedom of writing. With their social, political and eco-

nomic backgrounds they can make a column-length, front-page story out of a single idea. They shape up the news that goes into their papers from Washington; they exercise a wide influence over editorial policies. They are on the hunt day in and day out for ideas as manifestly their own active minds alone can't supply the demand. In addition, Senators and representatives are always on the lookout for ideas for speeches and ideas which they can politically dramatize.

The result is that the most successful propagandists in Washington have not been those who issue statements for the newspapers but those who have ideas and plant them with the many available vehicles.

Perhaps there is no other place in the country where an idea or a bit of gossip travels faster. Officials and the newspapermen form a rather closely knit group. They are interdependent. At the White House, the National Press Club and the Press Galleries at the Capitol the newspapermen are passing one another all day long and pausing to exchange ideas. An idea or a rumor started in the Press Galleries at 11 o'clock in the morning will be all over newspaper town by five o'clock in the afternoon.

At the famous Liberty League dinner in the winter of 1936 a sprightly dressed woman, heavily draped with ermine, appeared in a box occupied by a group of working newspaper-

men. Leaning over so that her ermine scraped the plates of ice cream which they had shoved aside for their typewriters, she said:

"Boys, I hate this Administration just as much as you do. Let me stay in here."

It impressed a young reporter so much that he used the incident as his key in describing the gathering. The story spread rapidly over the country and from then on the League was definitely marked as the weapon of rich men seeking to stop a movement in behalf of the underdog.

The many Washington columns which have blossomed up in recent years are ready vehicles for the dissemination of inspired stories because their conductors are charged with getting so many items of "low-down" every day. These trail blazers in a new phase of journalism have also drawn the orthodox correspondents into a franker treatment of the news.

For the past four years the situation has been so one-sided that the New Dealers have had pretty much the full run of the so-called manufactured news. Industry has become frightened and withdrawn all but its straight-out statement-makers and even they are so timid as to make no impress.

The New Dealers, on the other hand, are past masters in supplying ideas for the columnists, the correspondents and in making news for the front page. An example of their aptitude even against associates in the Administration whom they don't like was their barrage against conservative members of the family while Mr. Roosevelt was in South America. They doused the correspondents and columnists with "don't say where it came from" stories of officials the President planned to dismiss in a general reorganization. Manifestly, they were not speaking with information on the subject because not a single dismissal has occurred.

A corps of whisperers

WITH the withdrawal of industry's well paid and identifiable propagandists the city's ranks of invisibly supported have been increased. There has grown up a corps of poorly paid whisperers who live from hand to mouth. In many instances they are former newspapermen whom the newspaper parade has passed or those who have been around Washington long enough to speak with an air of authority about goings-on and upon whom ill-fortune has fallen.

Few of these men are on a definite salary arrangement. Most of them have an angel or two who will give them \$100 or so when they need it.

(Continued on page 119)



The average man likes to know the Washington stories; he can retell them to his friends and appear to be in the know

Look to Alaska for Tin Ore



Tin City, near westernmost tip of Alaskan mainland, where tin mining operations are carried on from June to October



Supplies must be carried ashore in walrus skin boats that transport as much as five tons of freight in one load. Left—1936 crew that helped to produce 152 tons of tin from the Alaskan property



Sluice boxes and riffles where tin ore is semi-concentrated before milling

THE United States consumes two-thirds of the world's tin production, but has no large scale producing mine within its own boundaries. The disadvantages to which this country might be subjected from a lack of tin, both in war and peace, have been a matter of national concern for many years.

An effort to mine tin on a fairly large scale is being made near Tin City, 120 miles west of Nome on the Seward Peninsula in Alaska. American Tinfields, Inc., succeeded in producing approximately 62 tons in 1935 and 152 in 1936, said to be the largest quantity ever taken from a tin mine in any part of the United States.

For four years this company has defied severe climatic conditions. Work can be carried on only from June to October, when Tin City is accessible to ships. Freight shipments by air from Nome cost ten cents a pound. Only two tons of tin were recovered in the first season by a crew of five men recruited from Seattle and eight native Eskimos.

Unloading equipment from supply ships

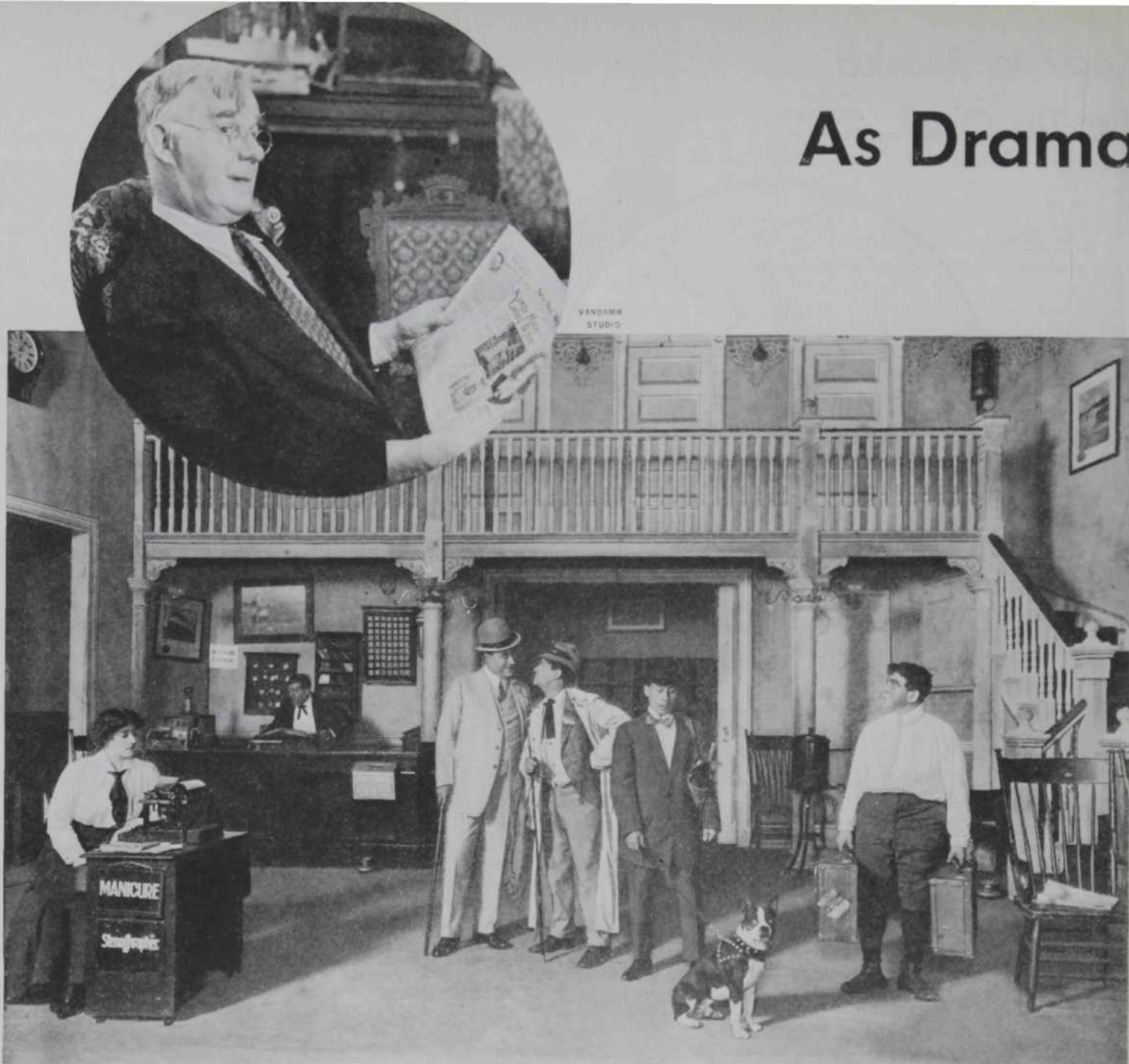
is a major operation. It would be futile to build piers because ice break-ups would destroy them. Consequently all equipment is moved ashore in boats made of walrus hide on a framework of driftwood. These boats are constructed for strength, balance and flexibility so that they can carry as high as five tons of freight. When the boat is loaded, the water comes to within a few inches of the top and the sides fold in like an accordion.

Before mining could start, the tundra had to be removed. The tundra is a matted growth of frozen short grasses and roots, which forms insulation and prevents the sun and rain from going through to thaw the ground.

After the ground is cleared, the tin-bearing gravel is shoveled into trucks and taken to the mills. There are 565 acres of this tin-bearing ground in the Cape Creek district. The recovered tin is sent to Seattle at a cost of \$7.00 a ton and from there is re-shipped to Singapore and London for treatment in a British owned smelter.

—ELSIE ELEANOR SCARLETT

As Drama



"Get Rich Quick Wallingford" typified the business man as a promoter—when promoters were more popular. Grandpa, in "You Can't Take It With You," above, gives up work for loafing

SINCE it is a two-faced concern, the theater excuses its temperament by claiming to be an art, and then turns around and pretends to the artists that it is a business. Both artists and business men have moments when they think it is lying, and the truth is that the one thing funnier than the drama's idea of an artist is its usual portrait of a business man. A further truth is that the theater distrusts them both.

If he is a small business man he is to be found in the second act in his shirt sleeves and house slippers, wrangling over the ailing details of existence. If he is a large business man, he wields a telephone as if it were a mallet, and talks through what amounts to an amplifier.

I have never believed either por-

trait, and I don't suppose any one else has, but we accept them as we do similar stencils in the theater, because it is easier to believe that all Frenchmen wear white spats and say "Zat" and that all Japanese butlers invariably stab the master with the paper-cutter, than it is to argue about it.

But as there are probably more business men in any audience than there are other groups, you might think the theater would take a glance, now and then, at its own customers to see what they are like.

One reason for the continued error is that business men are as usual, pretty tolerant. I have heard doctors snort at the promiscuous surgical ballet which made audiences coo with mingled curiosity and satisfaction, at

"Men in White," and I have heard District Attorneys crack their ribs laughing over the drama's weird notions of court procedure. But the men from downtown just let such mistakes go. As sensible fellows they proceed on the theory that it doesn't matter.

Probably it doesn't, but the American business man represents, to the rest of the world, the typical American. He is the solid tourist with money in his pocket who gets what he wants when he wants it. Europe's fondest caricature of him is as a gold-lined ignoramus, bristling with the Stars and Stripes, a gentleman to be treated with an astute mixture of condescension and care, on the horrifying possibility that he might, some day, take his money somewhere else.

Sees the Business Man

By JOHN ANDERSON

Dramatic Critic, New York Evening Journal



"Mr. Moneybags" set out to make the business man appear a stuffed shirt

At home our own dramatic picture is not much better, and though it often seems superficial and somewhat lopsided, it does change with the times; it does change, in fact, as business changes. Considerable water passed under the bridge, and considerable water, alas! through the stock market, between the fine gallant old days of Blackie Daw and Get-Rich-Quick Wallingford and the leisured charm of Grandpa in "You Can't Take It With You." In the drama the business man is always with us, even when he hasn't much business.

In the old days, before the post-war satirists found him, in his Rotary Clubs and chambers of commerce, a figure of fun, he was a substantial and pompous citizen, given to oracular utterance. He was the repository of handsome mottoes, and if he was a whited sepulcher, he made a fine orna-

THE theater oftentimes presents the man of business. What sort of picture does it give?

ment on the national landscape—something like the cast iron lawn animals of a previous era.

God knows how many elderly and out-moded actors found a livelihood because they had the indispensable cut-away coat, the striped trousers, the pique-edged vests, and that definable air of affluence which emerges from the gold dust bins.

But in those easy days, business was something that a man

went to and came home from. It was where he was when he wasn't with his family. People bought and sold things in an orderly world, ships went about the sea-ways on the amiable errands of commerce, and a man with money was commonly assumed to have earned it. If he had inadvertently earned too much of it, there was a little suspicion, but nothing too dark to alleviate with a little propriety like church going. There were solid folk in those days. Or at least they looked solid. It was a



A business woman, rather than business man, appeared on the stage in "Our Mrs. MacChesney"

later generation that took them for solid ivory.

If the picture changed after the war it was fundamentally, I suspect, because business changed. There were new sorts of business. Things that weren't businesses at all, but rackets, burgeoned on the national horizon, but their bosses had the same gilt-edge impressiveness, the same aroma of money in the bank. Inevitably, too, the war had made many men rich when the ordinary processes of legitimate trade could not. And the picture of a man with money who doesn't deserve it has been the butt of the joke since jokes were first considered funny.

Molière caught them permanently in his ferocious lampoon of "Le Bourgeois Gentilhomme" more mercilessly than Shakespeare did in Shylock.

Monsieur Jourdain is the inevitable plate for all such impressions. He did not know that he had been speaking prose all his life. It is a business man's still suppressed tragedy that he would like to speak poetry.

So, after the war, on the wave of general disillusion, we fell heir, in our drama, to the funnypaper business man. He has been funny enough in all conscience, and out of it. Actual events in business gave his new likeness some credibility.

Business, as the French say, is business and the post-war set had it. Bootlegging was a business, chiselling was a business, any racket that the complacent constabulary could wink at profitably was a business and a public, always too ready to worship what was once solemnly called "The Almighty

dollar" (before it turned out to be a trifle less than that), gave its usual allegiance to the boys with the bulging pockets.

Rackets and business

A MORE solemn minded historian might find in this the excuse and explanation for the peculiar fad, only now abating, for the great gangsters. They had the traditional shrewdness of the business man, coupled with the adventurous privileges of the penny-dreadful hero. In them an avid public found a profitable combination of Jesse James and the Rollo Boys. To a country which, for all its scoffing, still worships the young man who makes good, here was a business man on the grand scale, making good because he made bad. It may have been poor morality, but it was rich box office.

At the same time one of the newest and greatest industries complicated the general notion of a business man by creating a completely new pattern. The movies provided a type that had never been seen or heard of before. Here were men handling vast sums who were neither artists nor business men, but an astounding new breed, a breed that is, at last, indicating that it

(Continued on page 108)



LUCAS-PRITCHARD STUDIO; CULVER SERVICE

Geo. M. Cohan in "Fulton of Oak Falls" showed the small town business man whom we all know



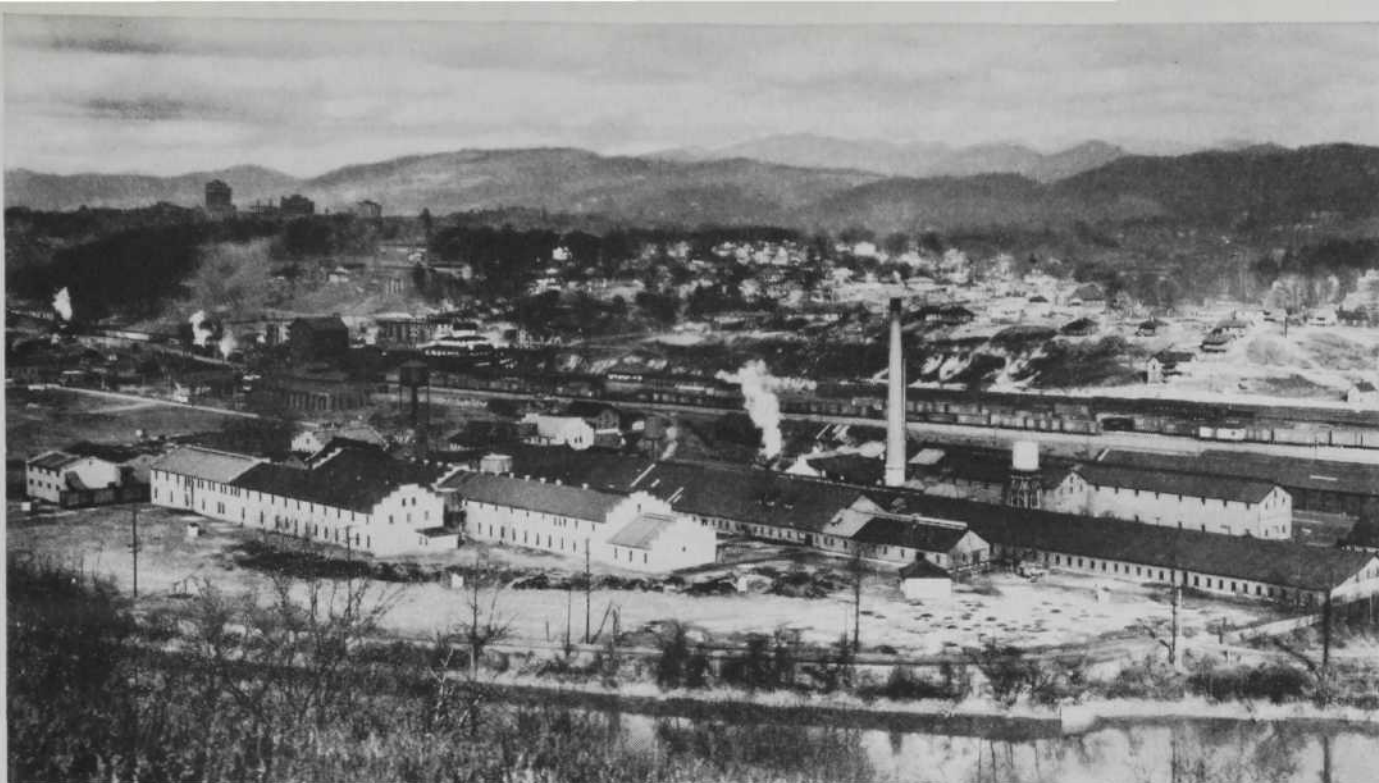
CULVER SERVICE



FLORENCE VANDAM; CULVER SERVICE

"Spread Eagle" mixed oil and business and foreign diplomacy

Typical of an era was a man and play called "The Butter and Egg Man"



ELLIOT LYMAN FISHER

Raw materials for making tannic acid have brought leather manufacturers to North Carolina

The South's Chance at Industry

By ARTHUR COLEMAN

Associate Editor, Holland's Magazine

A NATIVE of the South gives a picture of his homeland which should benefit, not only those who live there, but those who hope to sell there

EVER since the westward-spreading cotton kingdom came smack up against the Great Plains some 90 years ago, the thinking Southerner has known that the South must look to some other economy for durable prosperity. The impossibility of extending the white fields to the Pacific then, and the subsequent leveling out of cotton exports, has driven the South to action in what has become its Twentieth Century rush toward industry.

At present, it is apparently doing rather well. In three decades, while southern population has grown a little more than two-thirds, the South's wealth and manufacturing output have quadrupled. In the same period the numerical increase in the South's industrial wage earners has exceeded that in the rest of the country by more than half; and wages have kept pace in proportion.

As the years have passed, the pace has increased. From every side come

indisputable evidences that the region is well on its way to more nearly its share of the nation's industry in proportion to population. The past five years have seen the South leading the rest of the country in rate of growth in such factors as manufacturing output, wealth, automobile sales, electric refrigerator sales, income taxes paid, life and other personal insurance, freight-car-loadings of merchandise, department store sales, bank clearings, domestic use of electricity, electric power expansion, and more than a dozen other significant indices. Late figures from the Census Bureau show that several southern states in 1935 were hitting close to their 1929 peaks in manufacturing.

And since 1935 the South has gone hog-wild. Since July, 1936, I've been in 15 of these states, and everywhere I went I found trains running full, hotels doing capacity business, buses loaded, good-sized towns

with no homes for rent, residence and industrial construction going full blast, factories and mills running night and day, towns and cities filled with new cars.

What's more, all this activity has the goods to back it up. The South has more than a third of the country's population, a high birth rate, and a low death rate. It has nearly half the country's forest area. It has more than a third of our coast line. It accounts for more than two-fifths of the national mineral production, with yet-untouched mineral resources so varied and vast that only guesses can be made as to their ultimate quantity. It grows more than a third of the nation's farm crops and nearly two-fifths of all agricultural products. It

has a genial climate. And, what is equally important, it is rapidly increasing as a consuming market.

It has relatively few obstructionist or niggling industrial laws and regulations. Its state and local governments are friendly to industry—extremely so in the case of one state. It has a dozen modern ports conveniently spaced along its coasts, and several developed inland waterways. It is constantly improving its highways. Its railroads have demonstrated their progressiveness.

That is the positive side of the picture, and it is not bullish. These statements are no more than the barest facts. But there is, of course, another side: the obstacles, the drawbacks the South must overcome if it is to cash in on its assets. I want to consider these briefly here, as the South is going to have to consider and act on them, so that a balanced picture and some sort of sensible understanding and program may be worked out.

The South needs first of all, in every one of its states, a functioning agency that will study resources, and plan and carry out developmental programs. Most southern states have so-called "planning boards," some of them drowned in a sea of data, others piddling along aimlessly, none of them acting effectively—and by this I mean none of them is prepared or authorized or organized to take direct part

in the industrial development of its particular commonwealth.

Along with these, or perhaps as a part of them, should go industrial experiment stations, preferably endowed and free of politics. Georgia has a young one; Florida is trying to establish one; no other exists.

Managing southern resources

THE establishment of such an agency or agencies would speed the South's progress toward the filling of another dire need: intelligent handling of its forests. Already some few intelligent programs are under way, notably in Arkansas; but right now the South's half of the nation's forest area contains less than a seventh of the country's board feet of standing saw timber, and both state and private action is imperative if much is to be saved.

The restocking of cutover land is, in turn, a part of another program the South must carry out immediately—soil conservation. The fact that the rest of the nation has been equally

stupid where soils are concerned does not relieve the South of the necessity of putting back into timber its watersheds and those of its leveler lands that have proved unprofitable for agriculture, and of terracing and contour-and-strip planting those lands left under the plow. The South is becoming aware of this need; but this awareness must be extended to include the fallacy of building expensive dams that silt up within a few years because the hills behind them are left nude.

Finally, and along with these activities, the South must rid itself of what is almost undoubtedly the greatest handicap it suffers—its attitudes, amounting practically to a regional inferiority complex, where industry is concerned. Let me explain:

For 300 years, the South has been agrarian in its traditions, social habits, outlook, politics, and ways of thought. This pastoral culture has given rise to certain prejudices, self-distrust, and consequent hesitancy

(Continued on page 116)

The Rockwod Quarry in Alabama and the Sayles-Biltmore bleachery at Asheville, N. C., demonstrate the South's increasing tendency to turn from agriculture to industry

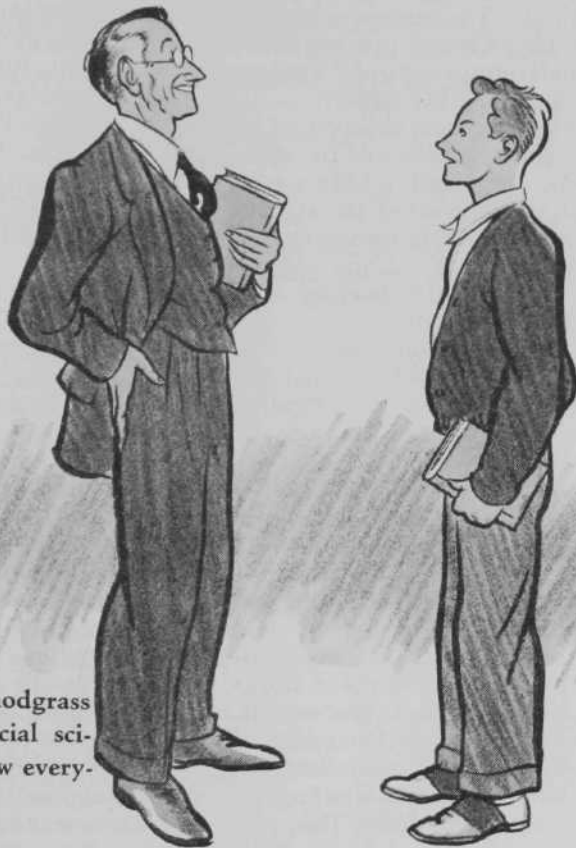
ALABAMA MUSEUM OF NATURAL HISTORY



ELLIOT LYMAN FISHER

Business Men Don't Understand

By GEORGE E. SOKOLSKY



"Professor Snodgrass taught the social sciences and knew everything"

CHARLES DUNN

PAUL PENNYPACKER had telephoned to his lawyer and arranged bail for his son, Thomas. Now he sat at his desk wondering what had happened to him. All his world seemed to have fallen about his ears.

It all came about this way:

Thomas Pennypacker had been sent to one of the best preparatory schools in the country—an expensive school where he would only meet the sons of expensive gentlemen. He had been guarded and protected—most surreptitiously and according to all the modern precepts of father-son psychology, so that he would never meet the wrong boys. He was handsome, a good dancer, popular with the girls and, when he went to college, he made the correct fraternities and societies. Altogether, Thomas was a promising and eligible young man.

But in his junior year he came under the influence of Professor Snodgrass who taught the Social Sciences and knew everything. Thomas in due course was sorry for his father.

"So-called successful men," he

would say, "are just the more rapacious of the herd. Financial success is no just measure of ability or social worth. Nor is financial failure an evidence of anything. You, father, earn perhaps \$150,000 a year, but Professor Snodgrass only gets \$10,000 a year. Now is that evidence, would you say, that you have more social merit than Professor Snodgrass?"

Well, it sounded very clever. Mrs. Pennypacker thought that Thomas was just too smart for words and Paul, himself, was willing to admit that Thomas was a good talker, although he sometimes wondered whether he would be able to take his place in the business.

There was a textile mill in a nearby town and a strike had been called. The rights and wrongs of the strike were hard to determine as the mill had made no money for a long time because of southern competition. The workers had no particular desire to strike, because they were afraid that the mill might close down or move.

Nevertheless, when the strike was

MUCH of the criticism of our American system comes, perversely enough, from its beneficiaries. Not earning their own salt, they feel it should be free

called most of them went out for all the varied reasons that workers who do not want to strike go out on strike. The principal reason was, of course, fear—fear of being beaten up as a scab; fear that, if the boss signed a closed shop agreement, those who had not joined the strike would never be able to work.

A sound truck went through the town stirring the citizens to support the strike. Among the citizens were storekeepers, grocers, butchers, bakers, who were being ruined by the strike. All this town had was this mill and every store depended upon the wages which the workers received. So these shopkeepers set out to beat up some of the pickets and to seize the sound truck. Their plan was to ditch it and drive the strike leaders out of town.

Strike agitators arrested

AMONG the strike leaders was Thomas Pennypacker. He, like each of the other orators and like most of the pickets, was a stranger to the town. In the fight that followed, some one fired a shot. No one was hurt but 26 men and women were arrested, among them Thomas Pennypacker. At first, he gave a fictitious name, but after the police had searched his pockets, he had to admit that he was the son of a rich father, a leading industrialist.

Thomas Pennypacker came home that night, a much embittered young man.

"The police only arrested us," he told his father. "Not a vigilante was taken."

"Why do you call them vigilantes?" Paul Pennypacker asked his son. "Are they not just good, red-blooded Americans like their fathers,

who tarred and feathered disturbers of the peace?"

Young Thomas was terribly irritated at that.

Business man a Fascist?

"YOU would not understand, anyhow. You're a Fascist like the rest of the business men. You will never understand that this is a new era, that the working class has come of age and is about to take over control of production. . . ."

"Let us argue this question calmly and without becoming personal," Paul said to his son. "After all, if we are to have personalities in this, I may have to ask you what you do with the \$6,000 a year which you receive from the trust fund I set up for you. Let us avoid that sort of talk. But I do want to know why you call me a Fascist."

"Well, you are one. And you know it," Thomas almost shrieked.

"No, I don't know it, at all," Paul responded calmly. "As a matter of fact it had never occurred to me that I might be a Fascist. I am not even sure that I know what a Fascist is."

"Of course, I do know," he continued as Thomas' anger visibly grew, "that Mussolini and Hitler are Fascists, but I took it for granted that that was a form of government in which the people have no rights, before which democratic institutions disappear and over which is a dictator. Now, no one would accuse me of setting myself up as a dictator, would he?"

"Oh! What's the use? You haven't any background," Thomas said pity-

ingly. "You should go back to college and take Snodgrass's course in 'Recent Social Trends.'"

"Well, you tell me what it is all about. What, for instance, is the economics of Fascism?"

"Fascism is an economic system in which the state controls the means of production and distribution. But the state permits the private ownership of property. The state permits private profit. The entire system is designed to preserve the capitalist system under state control." Thomas was now lecturing his father.

"The working class is exploited by the state in the interest of the capitalist class. All human rights are suppressed in the interest of the state—and the state itself is owned by the capitalists. It is a vicious system because it resents democracy and crushes human liberty."

"Well, now I understand that," Paul said quietly. "But I do not understand why you call me a Fascist. That is a bit hard to get through my cranium."

"All capitalists are Fascists."

"But I am not prepared to call myself a capitalist," Paul insisted.

"That's begging the question."

"No, it isn't," Paul was quite emphatic now. "I am a highly paid working man. I don't own my business. I am one of thousands of stockholders, some of whom, like myself, work for our company. You can, of course, say that the capitalists are the stockholders. But I can be fired by a vote of the stockholders. They can control the business completely if they are so minded. A stockholder displeased with something I may do

can take me into court. Far from being a Fascist, I would not even call myself a capitalist."

"Dad," Thomas responded with real affection, "you don't know what it's all about. You belong to the capitalist class. You exploit the workers in the interest of the capitalists."

"I'll skip that for a minute and go back to Fascism," Paul was now really enjoying himself. "You say I'm a Fascist. But in your definition, you describe Fascism as destroying human rights. But it is human rights that I regard as of primary importance. Take the Bill of Rights. Equal political rights. Equality before the law. Equal opportunity . . ."

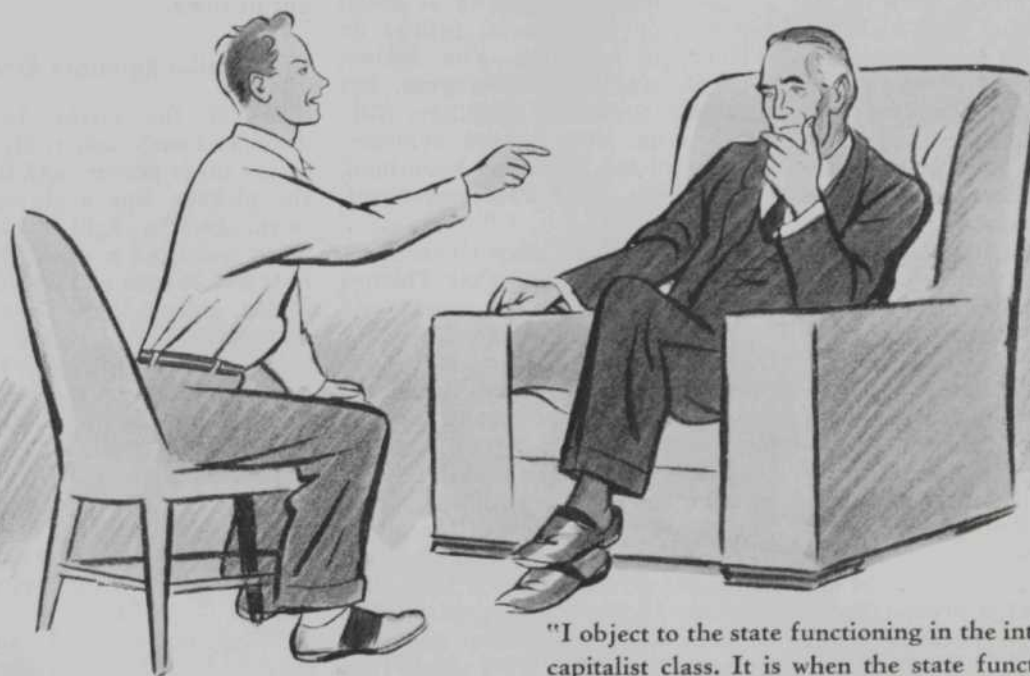
The new human rights

"THOSE are not the essential human rights," Thomas interrupted. "The right to a job. The right to a decent wage. The right to protection against social evils such as poverty, ill health, unemployment, old age—these are the human rights I mean."

"But I am willing to speak of those rights, too. I could tell you how my work has made jobs for people, how I have devoted time and thought for twenty years to increasing wages and to improving the working and living conditions of the men who are employed in our company. I am willing to skip all that and to stick to the subject as you have developed it."

"Your grandfather was a poor man. I suppose that I am a millionaire. There was equal opportunity for me. I had my chance and I took it. But I can assure you that of the

(Continued on page 106)



"I object to the state functioning in the interest of the capitalist class. It is when the state functions in the interest of the working class that a fair and just society comes into existence."

"Change" Plagues Public Markets



A farmer from San Antonio area displays bushels of okra

OF ALL enterprises affected by the March of Business, public produce markets have been jostled more severely than most others in the surge toward "modernization and mechanization." The first reason is the rapid development of truck transportation—the second is that markets formerly catered to housewives with market baskets, whereas today consumers buy their produce primarily from grocery stores and the buyers for these stores are the chief customer of the farmer who sells in the market. His market basket customer has given way to a customer who buys by the truck load. In most markets (there are some notable exceptions) nothing has been done to provide additional space for this type of business.

A further development has been the tendency of large buyers, such as chain groups, to buy direct from large growers and producers' cooperatives. Another complication is the increased business of inter-city truckers who pick up a commodity that may be low priced in one market and deliver it hundreds of miles away where the same commodity commands a higher value. In some markets today as much as 40 per cent of the produce is sold by non-producers, most of whom are trucker-dealers.

Vegetables make up from 55 to 80 per cent of the market sales, but eggs and poultry sales increase where the housewife still accounts for an appreciable amount of the total sales.

Critics assert that vegetable markets have failed to keep up with modern tempo. Racketeering in the larger cities, crowded quarters, excessive traffic congestion, long hours of sale, poor locations, unnecessary duplication of marketing terminals and general lack of scientific planning are some of the complaints registered against market facilities.

Produce growers and merchants are asking state and federal aid to help establish more suitable handling arrangements. They want one big market on outskirts of city where rail and truck facilities can be provided—where a merchant can make all his purchases without driving from one market to another in search of various commodities—for a building arrangement that will provide space to enable segregation of each different phase of marketing technique as one unit of a complex whole.



Increasing numbers of roadside stands have diverted customers from public markets

PHOTOS BY EWING GALLOWAY



Locality often determines principal commodity of a market. In New Orleans, sweet potatoes dominate just as Irish potatoes do in many northern markets



Individual market gardeners who deliver direct to consumer are giving way to hucksters who load at the market and deliver to both retailer and housewife

William Jeffers: Challenger

By RAY MACKLAND



Lounging is more appealing in the comfortable seats of "The Challenger"



William Martin Jeffers, newly elected president of Union Pacific, goes out to meet competition



Mothers get more restful travel when a stewardess entertains the children

THREE years ago the Union Pacific railroad was trying to find passengers for its trains.

Today its passenger business is limited only by its ability to provide air-conditioned equipment.

It is not unusual for a traveler to have to wait 48 hours for a place on the Union Pacific's *Challenger*, low expense train operated between Chicago and the Pacific coast. *Challenger* reservations always are sold out.

A major share of the credit for the Union Pacific's remarkably changed outlook must go to William Martin Jeffers, who on October 1 will become president of the road. That's because "Bill" Jeffers, as he's known all along the route, at 61, after 47 years of rail-

roading, still sees opportunities to pioneer.

If you have any questions about railroading, no one is better qualified to answer them than Mr. Jeffers. "Bill" learned his answers the hard way. On the Union Pacific he has been call boy and messenger, night telegraph operator, clerk, timekeeper, assistant foreman of a steel gang, train dispatcher, chief dispatcher, trainmaster, superintendent.

It takes something to rise from a \$20 a month call boy to the head of a road which owns 10,000 miles of track and employs 37,000 persons, 10,000 of whom Mr. Jeffers says he

can call by their first names. But that's exactly what Jeffers did, to realize his lifetime ambition.

"I'd rather be president of the Union Pacific than president of the United States," was Mr. Jeffers' creed during the long up-hill pull.

Railroading has been Mr. Jeffers' life, as it was his father's. In his 47 years of working up the ladder, he formed a lot of ideas about the industry. So a few years ago when the railroads started losing passenger business, he couldn't understand it. Mr. Jeffers believes buses were and always will be a factor in short haul business, but he could put his finger

Burroughs

SHORT-CUT KEYBOARD



FEWER OPERATIONS

	1	0.4	5
	2	5.6	0
3	1	5.2	5
		3.9	0
	1	0.4	0
6, 7	1	2.7	0
		5.9	0
	4	0.6	7
		2.5	5
	3	0.0	0
		4.7	8
3	5	0.0	0
	2	4.5	0
		1.4	5
		6.0	0
	3	0.6	5
7, 5 7 4.8 0 *			

The Burroughs Short-Cut Method is simple and practical. It saves operations in handling both small and large amounts. With fewer operations the work goes faster. With less to do, there is less chance for error.

Let the Burroughs representative show you in your own office and on your own work what these savings can actually mean to you. Telephone the local Burroughs office today. Or, if you prefer, write for free, illustrated booklet entitled "Short-Cuts That Save Valuable Time."

BURROUGHS ADDING MACHINE CO.
6010 Second Boulevard, Detroit, Michigan

SAVES

60 OPERATIONS IN LISTING AND ADDING THESE 16 AMOUNTS

- ① Because two or more keys, together with the motor bar, can be depressed simultaneously on the Short-Cut Keyboard, thus completely adding or subtracting the amount in one operation.
- ② Because ciphers print automatically. There is no need for a cipher key on the Short-Cut Keyboard.

For example—the first amount (\$10.45) was listed and added by depressing the "1" key, the "4" key, the "5" key and the motor bar—all in one single operation. The cipher printed automatically.

Had each key and the motor bar been depressed separately—and had there been a cipher key to depress—it would have required 78 operations instead of 18 to list and add the 16 amounts shown on the above tape . . . thus, Burroughs saves 60 operations on this one typical job. The total is obtained in a single operation.

Think how many needless operations Burroughs Short-Cut Method saves in handling hundreds or thousands of amounts. Think how much time and effort it could save in your business. Investigate today!

**ADDING, ACCOUNTING, BILLING
AND CALCULATING MACHINES
CASH REGISTERS • TYPEWRITERS
POSTURE CHAIRS • SUPPLIES**

on no reason for the loss of long hauls to the highways.

As executive vice president in charge of both the operating and traffic ends of the business this loss in revenue was his immediate concern. His prompt action to meet the emergency refutes, in this instance at least, the theory that it is unwise to make executives of veteran employees because they are so used to the business they take it for granted. "Bill" Jeffers is a veteran, but he showed initiative.

The Union Pacific's executive vice president took to riding his road's trains, talked to fellow passengers and employees in an effort to get at the cause of declining passenger lists.

His observations brought home the railroads' need to "wake up and do something." The spur of competition led him to the conclusion, too, that the railroads were not good merchandisers, that they were somewhat to blame for their predicament because they weren't doing everything they could to sell their only product, transportation.

The railroads were devoting a great deal of time to selling transportation to seasoned travelers who already knew what they wanted. Mr.

Jeffers determined that the Union Pacific's problem wasn't this group, which didn't have to be told what his railroad was selling, but to get the occasional patron—particularly the tourist—rail-minded.

Selling the young people

HE still shows amazement when he tells of his discovery that thousands of young people of high school and college age had never ridden on a train because they thought highway transportation was so much cheaper. One result of Mr. Jeffers' pioneering is a tremendous gain by the Union Pacific in school trade.

Mr. Jeffers boldly set out to give coach passengers the same service that higher fare patrons received. In August, 1935, the air-conditioned *Challenger* went into service. It carried only coaches, tourist sleeping cars, and revolutionary ideas.

Mr. Jeffers had observed early in his coach travels that few of his fellow passengers patronized the diners. Diner meals were too expensive for the average traveler. The *Challenger*, serving breakfast for 25 cents, lunch for 30 cents and dinner for 35 cents, heralded the disappearance of lunch

baskets on trains. The menus are simple but substantial. The net result: between 90 and 95 per cent of the *Challenger's* passengers eat on the train.

Pillows used to cost the traveler 25 cents each. It cost him a penny every time he used a drinking cup. Now both of these services are free. So is porter service.

The *Challenger* has private coaches for women and children. In the afternoon, a cookie jar is passed to all children on the train.

Bright dome lights on the coaches used to be kept on all night. Now they are dimmed to blue at 10 p.m. For travelers who wish to read after that hour, there are individual reading lamps on the wall.

Under the old system, every time conductors were changed on a coach train, the new man looked at all the tickets, adding to the passenger's bother. Now the first conductor assigns each traveler to a seat, transfers the passenger's ticket to his successor without contacting the tourist. The conductor or brakeman bawling station stops all night long used to disturb the coach passenger's sleep. This stentorian voice has been

(Continued on page 124)



The streamlined "City of Denver" accents the convenience of railroad travel



A dinner for 35 cents started the decline of the lunch basket era on Union Pacific trains



TAKE THE HELM—Mr. "Head of a Family"

AS a competent captain charts his course before sailing, so you can plan ahead for the welfare of your wife and family and then steer them safely toward security and happiness.

You have often pictured to yourself the haven you want your family to enjoy—a comfortable home, wholesome surroundings, good schools, and other advantages. Life insurance, properly planned, offers a means of providing them even if your family should be left without you.

Take your bearings from time to time and make

necessary adjustments in your Life Insurance Program. For example, when your children grow up and start out for themselves, you may want to arrange for a retirement income, if you have not already done so. A well-planned Life Insurance Program is flexible and will meet such changing conditions.

Why not chart your course now? A Metropolitan Field-Man will gladly help you plan a Program fitted to your personal needs and pocketbook. Telephone your local Metropolitan office and ask him to call—or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.



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No Business Can Escape Change

Industry's new products add to business and aid customers at the same time

1 • A NEW process allows direct printing on glass bottles, plastic jars, and metal surfaces in one to four colors. The process includes baking in, which makes the printing withstand moderate alkalies and abrasion. . . .

2 • A NOVEL pneumatic hammer has no air trigger—pressure on the work opens the air valve. It also has a safety feature preventing tools from being shot out. . . .

3 • A VIAL dispenser for small tablets such as saccharin is made of phenolic plastic. A quarter-turn of the non-removable top opens a slot through which the tablets may be shaken one by one. It is strong, light weight, non-corroding. . . .

4 • A VISUAL aid for tuning musical instruments shows both pitch and timbre better than the ear can detect. A cathode ray tube shows the wave form, including all harmonics. Pitch and overtone characteristics of instruments or voice may be studied note by note. . . .

5 • A NEW push-button station with an indicating lamp in the center of the translucent button adds to convenience and saves space. It is only 2½ inches high by 1¼ inches wide. . . .

6 • A WATERPROOF sheeting for hospitals withstands the use of several sterilizing preparations. When put next the mattress and a bed sheet over it, the patient does not feel its presence. . . .

7 • FOR PHOTOGRAPHERS there is a simple sliding card calculator which, when set for distance and film speed, shows the diaphragm openings and exposures required for the various size flash bulbs in use. . . .

8 • A NOVEL device for cutting steel strapping is cheap enough and small enough to be attached to packages intended for small stores and individuals who otherwise would not have at hand the facilities for easy opening of steel strapped packages. . . .

9 • A NEW paint which may be applied directly over rust is said to penetrate the rust and seal the metal against further corrosion. . . .

10 • AN ALL-ELECTRIC writing machine for making the master copy for hectographic duplication obviates the handling of dye-bearing paper and saves time. The dyed sheet is fed through the machine in a continuous ribbon. . . .

11 • FOR MILADY a novel make-up kit cylindrically shaped is only 2¼ by ¾ inches yet has four compartments for rouge, cream, powder, and eye shadow. It's made of a molded plastic. . . .

12 • A NEW gadget aids milady in blending lipstick without getting it on her fingers. It is a small roll of tape shaped

like the tip of a finger and is held in one end of the container. . . .

13 • A NOVEL tag for your bag has a tiny padlock to prevent removal. Name and address are engraved on a metal plate. . . .

14 • RUBBER in a thin adhesive sheet may be vulcanized to bind rubber compounds to metal, glass, or phenolic plastics so that the rubber will split before the joint of adherence gives way. . . .

15 • A RING BINDER of new type operates without the snapping action of springs. A gentle pull on a lever opens the rings gradually. Pushing the lever closes the rings, then locks them. . . .

16 • SPONGE RUBBER cushions of a new design offer comfort, dependability, cleanliness and safety. They are surface-treated to prevent accidental ignition. The breathing action of the tiny interconnected air cells smooths road shocks and also adds to hot-weather comfort. . . .

17 • A PORTABLE refrigerator makes l.c.l. shipments of perishables easy by rail, water, truck or by combinations. It is built on an easily handled hand-truck platform recently described here. Size 7' by 6' by 5', it has a loading capacity of 160 cubic feet or 6,000 pounds.

18 • A NEW style electric kitchen is completely housed in a small unit. It includes electric refrigerator, small electric stove, sink, work space, and shelves; yet folds into one compact cabinet when not in use. . . .

19 • WORK OR hunting garments can, by a new process, be coated with a synthetic rubber which increases the strength of the cloth, makes it resistant to oils, gasoline, grease and some acids. The treated garment can be laundered or dry cleaned in naphtha. . . .

20 • A FLEXIBLE coupling of sprocket type of which the female end is a synthetic molded material offers light weight, electrical insulation, and low cost. . . .

21 • AN ADDING-CALCULATOR machine has special rows of keys to handle shillings, pence, and farthings of the British currency. It can be used for ordinary work by disregarding these rows. . . .

22 • AN ALL glass stirring device is gas tight for a small pressure or vacuum. It allows stirring chemicals without risk of contamination from the material used as a gas seal. The seal is obtained by the extremely close fit of the glass bearing and glass shaft. . . .

23 • A NOVEL device like a glorified muffler makes possible the use of Diesel engines in underground mine locomotives and similar work. It reduces the temperature of exhaust gases from 1,000° F. to 140° F.

24 • A NEW alloy of nickel, molybdenum and iron has high resistance to hydrochloric and other acids. Its physical properties are comparable to those of good alloy steel. . . .

—WILLARD L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.



25 • AN EASILY portable testing machine has been developed which accurately measures wear resistance, toughness, adhesion of protective coatings such as enamel, varnish, and electroplating. . . .

The Textile Industry shows the way

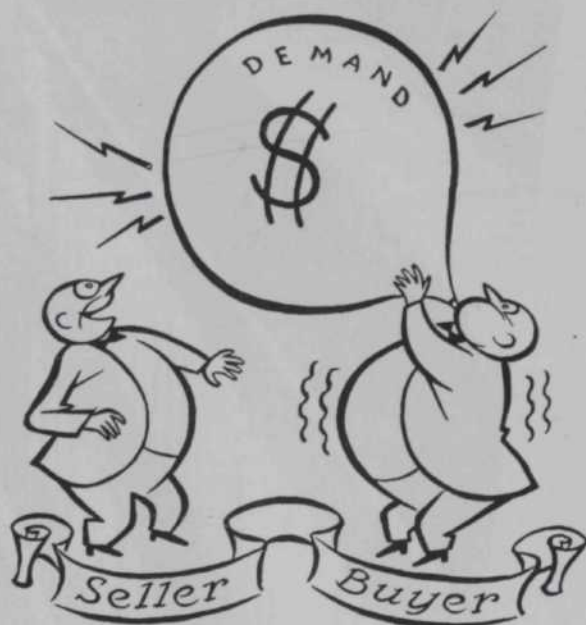
THE march of American progress is impressive . . . particularly where that progress is as definite and far-reaching as in the Textile Industry. Here, practically all machinery is electric-driven, most of it with individual motors for each unit. Mills have been made safer, cleaner, more efficient, smoother running. But added to all these advantages is the one great gain which comes only with electric power . . . better control. Operations have been inter-related, machines coordinated, a precision of control been introduced that made entirely new operations possible. If you are operating a textile mill, you probably know the wonders Cutler-Hammer engineers have wrought in your industry. If you are engaged in other fields of manufacture, why don't you consult Cutler-Hammer for possible savings in your costs. CUTLER-HAMMER, Inc., Pioneer Manufacturers of Electric Control Apparatus, 1251 St. Paul Avenue, Milwaukee, Wis.

The "range drive" developed by Cutler-Hammer engineers which typifies the contributions of this company to textile industry progress, coordinates by accurate control as many as a dozen machines to take the raw cloth through processing to the finished bolt without any handling whatever.



Selling in a Rising Market

By WHIPPLE JACOBS



Demand is falsely inflated by placing of multiple orders and prices are stimulated

TODAY we are doing business in a rising market, an experience which recurs about once in seven years. When this situation develops it is generally known as a "seller's market," to distinguish it from a "buyer's market" in which supply outruns demand, prices are only reasonably firm, and the buyer holds the whip hand.

When we enter a seller's market, most of the experience gained under the older buying conditions is of little value. In fact, many purchasing agents have come into their positions since the last seller's market and so have no first-hand experience of the problems they must meet in the strong seller's market.

In such a market, the seller's chief problem is not selling but production. Buyers find their usual sources of supply unable to meet current demands, largely because all buyers are placing bigger orders for raw materials or manufactured commodities. Prices stiffen and usually advance sharply at frequent intervals, thus stimulating forward buying before prices advance further.

In my experience as a purchasing agent, a seller's market is short-lived

THE RECENT seller's market offers problems far different from those encountered in a buyer's market such as we have had for eight years. This author shows some of the pitfalls

when compared with the intervening periods of slower business activity. In other words, the bulk of buying is done in a buyer's market and, hence, most buying experience is "buyer's market" experience. In normal buying periods, the buyer does not have to make excessive commitments in advance of immediate needs. Sup-

plies are reasonably certain and prices are not subject to wide fluctuation. During long periods of conservative business activity, prices do tend to move upward slowly and thus assure a slight appreciation of inventory values. This means that buyers are nearly always right in their buying judgment, as far as prices are concerned and, since they are not required to invest in inventory beyond current needs, no great risk is involved.

Depression ahead

WILLARD L. THORP, Director of Economic Research of Dun & Bradstreet, Inc., said recently in Chicago that "already I find evidence in isolated spots of the appearance of a 'boom psychology.' With expanding consumer purchasing power, low interest rates, and six years of enforced consumer economy behind us, some are seeing no limit to the current upswing."

Thorp said further, "If depression is around the corner

behind us, it is also bound to be around the next corner in the future. The problems of prosperity are more difficult than those of depression." He ended by saying that there was need for "economic leadership" to meet the problems of prosperity, chief of which is the "character of the current upswing."

All of us must concede that "economic leadership" is essential during the present upswing of business if we are to continue to enjoy our present prosperity. Such leadership must come from many places, and sellers are in a strategic position to provide it by counseling against excessive forward buying, even in the face of continued price advances. This may seem to be a paradox but the purchasing policies of the large motor car manufacturers support it. This

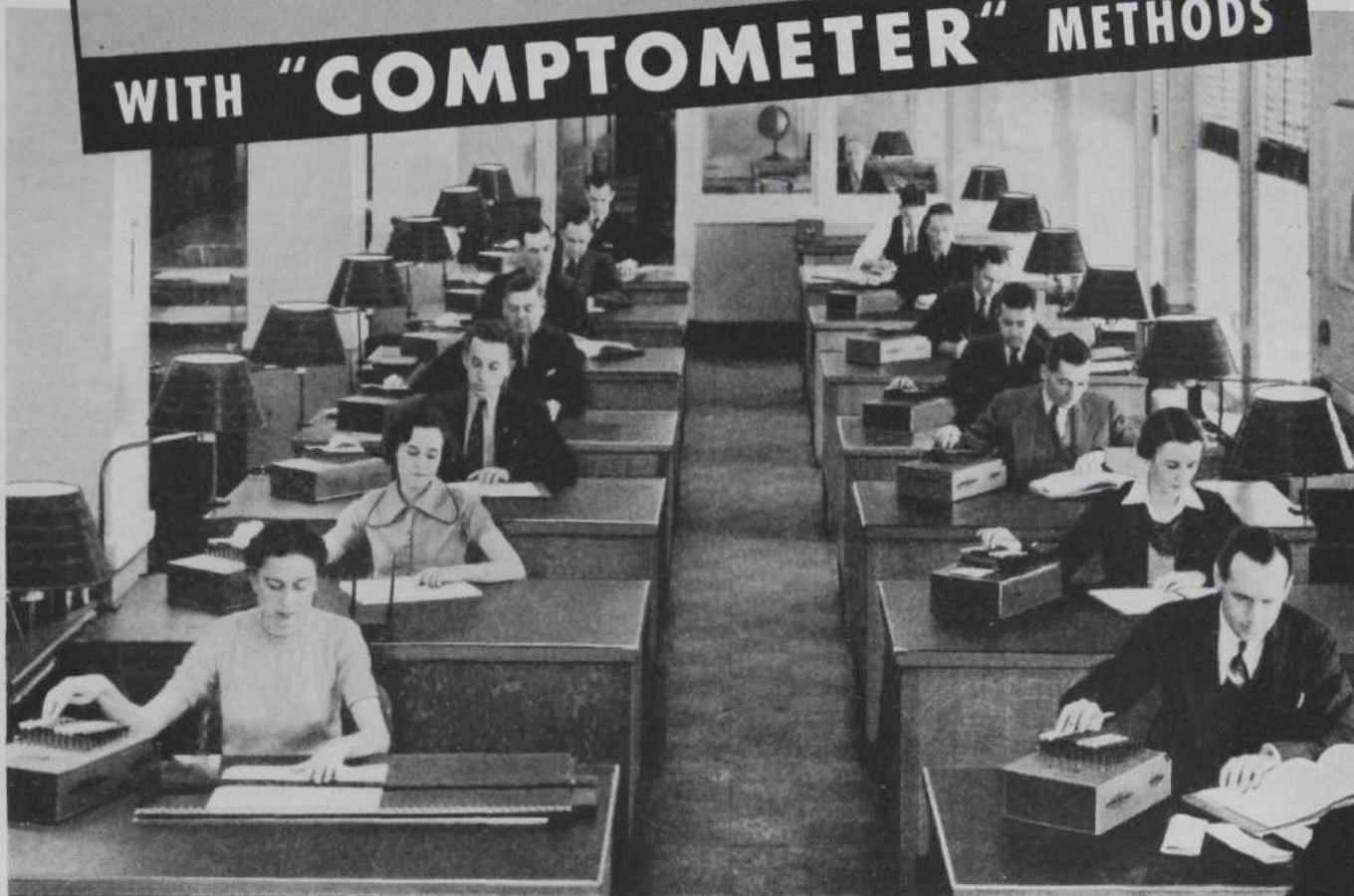
(Continued on page 121)



CHARLES DUNN

If depression is around a corner behind us, it lurks around another corner in the future

MEMPHIS POWER & LIGHT COMPANY REPORTS "better than 50% savings" WITH "COMPTOMETER" METHODS



When ideal working *environment* is combined with ideal working *technique* in any figure-work department, increased efficiency and worth-while savings result. The Memphis Power & Light Company of Memphis, Tennessee, achieves this happy combination through the use of the most modern indirect desk-lighting system (see photograph above) and modern "Comptometer" methods:

"Our General Accounting office uses the Model J 'Comptometer' exclusively because of its accuracy, flexibility, and speed in proving ledger postings, extending invoices, accounting distribution of invoices, preparing financial

and operating reports, and distributing payroll labor. In other departments, the 'Comptometer' is used for balancing proof sheets for customers' billings, for proving requisitions, and for figuring inventory on 80,000 classifications.

"Better than fifty per cent savings has been attained through the use of the 'Comptometer' Peg-Board on analysis of residential, commercial, and industrial sales and service."

There are ample grounds for assuming that "Comptometer" methods can effect substantial savings in your

concern's figure-work set-up. May we show you how—in your own office, on your own job? Telephone your local "Comptometer" office, or write direct to Felt & Tarrant Mfg. Co., 1712 N. Paulina Street, Chicago, Ill.



Model J
"Comptometer"

COMPTOMETER

Reg. U. S. Pat. Off.

MEMO...

for Busy Readers

- 1• Lump sum value of a life's work
- 2• More workers are involved in industrial strife
- 3• Purchase of luxuries gains 20-odd per cent
- 4• Brewers add millions to sales of bottles, cans, barrels
- 5• Taxes, up 30 per cent in decade, still rise
- 6• Sidewalks won't stay clean

Dollar Rating of Careers

IF earnings be the ruling factor in the choice of a career, what is the comparative life expectancy from representative vocations? Some suggestive figures are provided by Dr. John F. Clark, professor in charge of the department of educational economics, Teachers College, Columbia University. For eight years he put himself in the rôle of a banker assessing the earnings values of the life careers of persons in 16 occupations as though they were applicants for mortgages on the proceeds of their efforts. From the information gleaned by 20 research assistants he prepared the following table:

Occupation	Working Life Span	Present Value of Average Earnings for a Working Lifetime
Medicine	42	\$108,000
Law	43	105,000
Dentistry	45	95,400
Engineering	43	95,300
Architecture	43	82,500
College teaching	44	69,300
Social work	45	51,000
Journalism	46	41,500
Ministry	44	41,000
Library Work	46	35,000
Public school teaching	45	29,700
Skilled Trades	44	28,600
Nursing	40	23,300
Unskilled Labor	44	15,200
Farming	51	12,500
Farm Labor	51	10,400

Yardstick for Labor Wars

FROM 1923 to 1929, there were on the average in the United States 38 persons to each 10,000 of total population involved in industrial disputes. Similar averages ranged from 26 in Canada to 157 in Great Britain and Northern Ireland in the same period.

Between 1930 and 1936, an average of 61 persons per 10,000 population were involved in disputes in the United States, and only 24 and 25 persons respectively in the Irish Free State and Canada. Countries showing a considerably larger number of persons involved included Spain, Belgium, France and Poland.

In several instances general strikes are charged with the relatively large

number of persons involved in disputes in some years. For example, in Great Britain, 605 persons per 10,000 of population were involved in strikes and lockouts in 1926, compared with only 109 in the preceding three years and 63 persons in the period from 1930 to 1936.

Figures are taken from an analysis by the National Industrial Conference Board of the number of persons involved in strikes and lockouts in relation to total population.

Luxury Buying on the Rise

IN the face of successive price mark-ups, the American public continues to spend more and more for travel and travel goods, furniture, sporting goods, and for luxury items of personal adornment, according to a study of sales of 236 department stores for the second quarter of 1937, made by Northwestern National Life Insurance Company.

In the second quarter of 1937, pianos were bought in 24.4 per cent greater volume than in the corresponding period a year ago; sporting goods sales were up 20.8 per cent; household furniture showed a 20.4 per cent improvement, and jewelry a 20.2 per cent gain, comparing the second quarter of this year with the same three months of 1936. Furs, in the spring quarter, showed a 33.6 per cent gain in sales over the second quarter of 1936.

Continued expansion in sales of non-necessities is the more impressive, says the report, because it comes on top of three years of spectacular increases in these lines; though living costs have been mounting steadily, income has risen still more rapidly, leaving the consuming public with a greater margin from which to buy luxuries. In view of the sharply higher prices now current, lack of consumer resistance is interpreted as psychology favorable to continuance of sales.

Glass, Metals Perked by Beer

BREWERS have bought more than \$26,000,000 worth of bottles since beer was re-legalized in April, 1933. Can

manufacturers, by one representative estimate, will ring up \$19,000,000 from this year's sales to brewers, a sizable figure in view of the fact that beer in cans made its public bow in 1935.

To produce the 11,000,000 gross of bottles bought since re-legalization, these raw materials were required: 540,000 tons silica, 175,000 tons soda ash, 32,000 tons chemicals and 715,000 tons of coal for heat and power—all of domestic origin. To bring the raw materials to the glass factories 55,000 freight cars were needed and 40,000 cars hauled the finished products to the breweries, providing \$6,500,000 in revenue for the railroads. Also 16,000,000,000 labels and the same quantity of crowns were used, volume business for the lithographing and pulp wood industries.

Canned beer now comprises 11 per cent of packaged sales. With 60,000,000 barrels as estimated consumption for 1937 and about 40 per cent of it, or 24,000,000 barrels, packaged, this will mean that 2,640,000 barrels will be accounted for by 871,200,000 cans.

Steel is the principal metal used, only a thin layer of tin going into beer cans. About 220 pounds of metal are required for the manufacture of 1,000 cans, which would mean approximately 95,000 tons for this year's output.

Manufacturers of the fiber cases which are required for shipping canned beer to retailers, at \$50 per thousand, would get approximately \$1,000,000 for this product.

Pyramid with a Narrow Base

WITH the current tax bill of the nation, including Federal, State and local levies, reaching an aggregate figure of \$11,600,000,000, broadening of the income tax base is advocated by *The Index*, of the New York Trust Company, as the most practical means of awakening public consciousness to the gravity of the present situation. In the last decade, the bank review points out, tax collections have risen almost 30 per cent, and while in 1927-29 they constituted 12.3 per cent of the realized national income, the ratio for the fiscal year 1937 is almost 20 per cent. Says *The Index*:

The complexities of the tax problem confronting the United States can hardly be exaggerated.

For the increase in collections made necessary by demands consequent upon the depression, and projected into the future through the expansion of the social services undertaken by the federal Government, is hardly more serious than the related problems centering upon the inequitable distribution of taxes and competition among different governmental units to tap the available sources of revenue.

If anything like the ratio of taxes to national income prevailing before the depression is to be restored, a national income exceeding \$100,000,000,000, or 25 per cent higher than that obtained in 1929, would be required. Without any immediate prospect of such a huge income, the burden of present taxes is more likely to increase than to diminish unless the public emphatically insists upon a reduction in expenditures and a revision

EVERY DAY IS MOVING DAY

as Mayflower Trucks Criss-Cross Continent



Night and day the dispatcher charts the location of trucks on this huge map.

Like the Clipper Ships that sailed the seven seas, trucks of the Aero Mayflower Transit Company travel the 48 states. One haul often takes a truck from coast to coast. Across mountains, deserts, plains. Through blizzards, sandstorms, cloudbursts. Over good roads and axle-deep mud detours. A marathon test for tires!

Vans Make Long Trips

When a load is delivered, there's another waiting. Truck No. 252 may head for Dallas out of Atlanta. From there to Denver. Denver to Omaha, to Duluth, to Milwaukee—down south to Nashville—then perhaps home to headquarters at Indianapolis.

They're long hauls, hard hauls when you move household

goods nationwide. Vans are on the road constantly.

It's tough on the trucks and tires. All in all, these trucks travel many millions of miles annually—with every mile a "third degree" for tires. But Goodrich Silvertowns never let them down.

Where you find the toughest hauling jobs, you usually find Goodrich Triple Protected Silvertowns. Truck owners who have severe operating conditions, who want 100 cents' worth of wear from every dollar, know that Goodrich means economy.

Goodrich Silvertowns are built for the hardest hauls—do a better job on any haul. They're Triple Protected against the commonest cause of premature failure. They positively

check four out of five of all sidewall breaks. Only Goodrich gives you this 3-way safeguard:

1 PLYFLEX—distributes stresses throughout the tire—prevents ply separation—checks local weakness.

2 PLY-LOCK—protects the tire from breaks caused by short plies tearing loose above the bead.

3 100% FULL-FLOATING CORD—eliminates cross cords from all plies—reduces heat in the tire 12%.

And yet these are not premium price tires. You can buy them at regular prices, use them on fast or slow runs, for heavy loads or light and get thousands of extra miles.

Take a tip from Aero Mayflower, from big fleet owners everywhere, and use only Goodrich Silvertowns.



Goodrich *Triple Protected* Silvertowns

SPECIFY THESE NEW SILVERTOWN TIRES FOR TRUCKS AND BUSES

of existing levies along more equitable and practical lines.

They Took Him Litter-ally

PERVRSITY of human nature is no curiosity to perfumer J. LeBloas Marlaine, president of the Clean Sidewalks Association of New York. He detests filth. Example of a cleanup would be salutary, he thought. Twelve blocks of sidewalk would be cleaned every day,

he announced. On the first day he showed up with workmen. To the kibitzing of the Broadway idle he and his workers paid no attention. What happened got into the newspapers.

By dark the sidewalk looked as good as new. It wasn't much, Mr. Marlaine admitted, but it was a beginning. He put up a sign, 12 by 18 inches, on the subway kiosk on Forty-third Street, which read:

"This is a clean sidewalk. Please re-

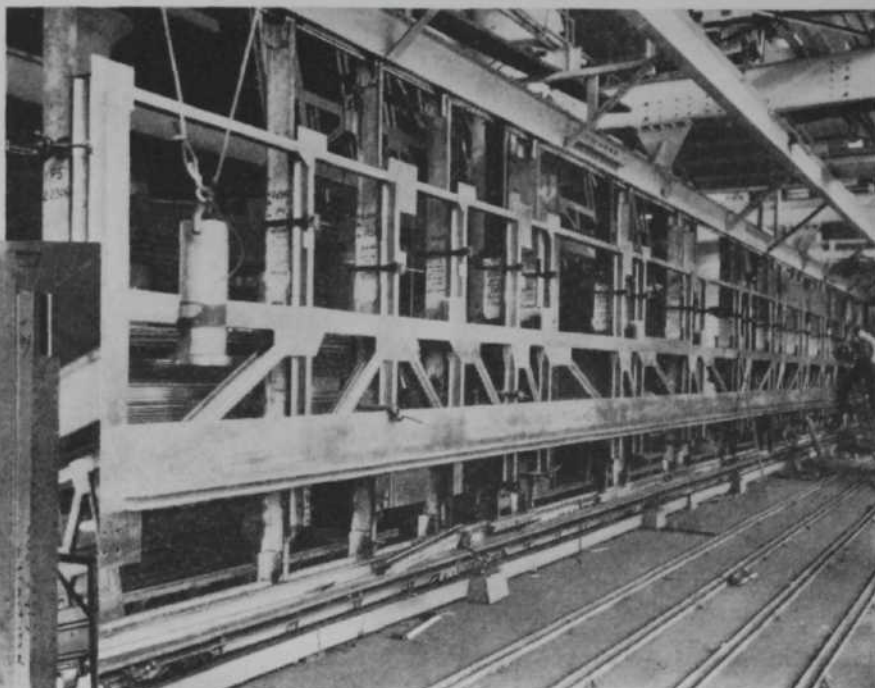
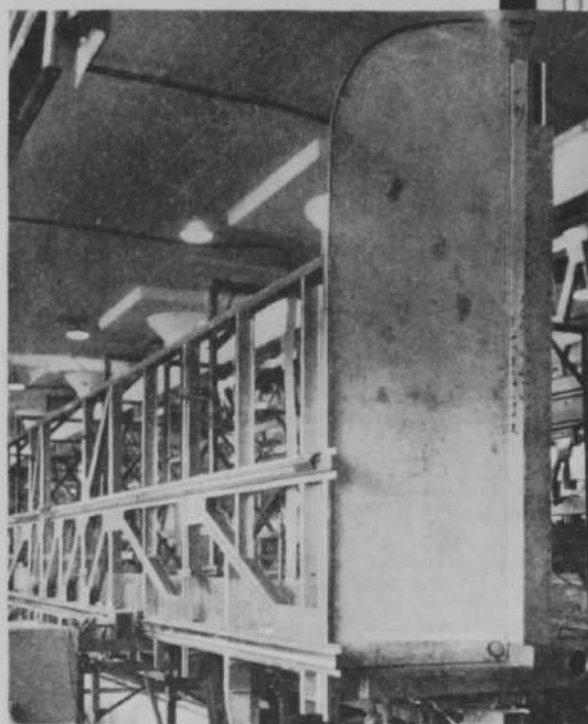
spect it and keep it clean from litter. The Clean Sidewalks Association."

Ten minutes after Mr. Marlaine and his crew had departed two cigarette packages, several defunct cigarettes, a candy wrapper or two, a wad of gum and some formless debris lay on Mr. Marlaine's sidewalk.

"Spotless town," as every city beautiful advocate eventually learns, came to life only in the mind of a jingle maker.

Anatomy of a Streamlined Train

The side and end of a streamlined passenger car are shown here ready to have roof put in place

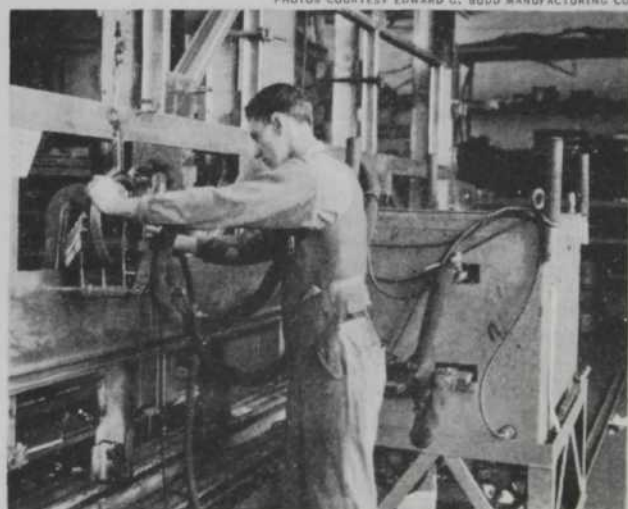


Members of the side frame are bolted into place in a jig and then fabricated into a single unit by "Shotweld" process

FRAMES of railroad cars may not rank with dinosaur bones as first-place museum pieces, but as the skeleton of a dinosaur is a symbol of the strength and power of a prehistoric age so does the framework of today's new railroad passenger cars represent the power, strength and speed of a machine age.


The skeleton of this railroad car in the Edward G. Budd manufacturing plant is in process of becoming a de-luxe passenger car for a western railroad's streamline train. Engineers agree that excessive weight of equipment has always hampered rail transportation. Almost every expense of operation is directly proportionate to weight. The light weight construction of this car, made possible by the use of low carbon steel with 18 per cent chrome and eight per cent nickel, is a contributing factor in the possible 100-mile-an-hour speed of streamline trains. A structure built of 18-8 stainless steel is stronger than ordinary steel yet it weighs only one-third as much.

Fabrication by means of the "Shotweld" process which makes it possible to control the time, current and pressure necessary for each weld, makes one integral unit out of the two sides, roof and under-structure.



The "Shotweld" machine makes it possible to weld stainless steel without destroying stainless properties of the metal

PHOTOS COURTESY EDWARD G. BUDD MANUFACTURING CO.



**IT'LL SURE PAY
DIVIDENDS, BOSS**

*... bringing us
this swell
drinking water!*

MODERNIZE...

INCLUDE

**Frigidaire WATER COOLING
EQUIPMENT IN YOUR BUDGET FOR 1938**

● Frigidaire Water Cooling Equipment is one of the soundest investments you can make in 1938. Day in and day out, year after year, it will pay you dividends. Dividends in comfort and health for the men on the job. And for you, dividends in goodwill, greater efficiency in every department—more production, fewer accidents.

Frigidaire equipment also gives you a tremendous saving in dollars and cents over old-style methods. A saving so great that Frigidaire actually pays for itself in a short

time and continues to earn a big investment return for years to come. When we say "pays for itself" we mean just that. And we're ready to prove it to you by a FREE survey and estimate in your own plant.

It will pay you to get complete details. Find out how little it costs you and how much it saves you to have cool, sparkling water throughout your factory.

There is Frigidaire Water Cooling equipment for every need. Efficient, dependable, economical. *Investigate at once, and include Frigidaire equipment in your 1938 budget.* For free survey and estimate see your nearest Frigidaire Commercial dealer or drop a line to Frigidaire Division, General Motors Sales Corporation, Department 66-10, Dayton, Ohio.



Dollars in the Underbrush

By EDGAR FOREST WOLFE

BUSINESS MEN are learning that well stocked game fields have a profit as well as a sporting angle, as several states have proved to their satisfaction

PURELY as a matter of good business, the captains of industry are taking a more practical view of the question of restoring wild game to "shot out" territory. It is a logical conclusion that sportsmen will go more often to the game fields when game is plentiful than when it is scarce—and recent accurate business surveys have revealed that, every time they go, a cash register will tinkle somewhere in that neighborhood.

This is of interest to the farmer, the country grocer and the cross-roads filling station as well as to the city business man—so the leaders of the nation's business have proposed a cooperative system of "game management," with the landowner as the custodian of the game that business will liberate on his lands and the farmer receiving compensation for the use of his restored game fields.

It has been 42 years since that November day when I straddled a rail fence back among the Pennsylvania hills and listened to words of wisdom from old Lem Whitworth. Old Lem was ahead of his time:

Laws a'mighty, son, their hain't been no quails to speak of in these here hills fur nigh onto ten year. I mind the time when yer pappy an' me could go down thar in the pines along Beaver Run an' git a mess o' pa'tridge any time. Now thar hain't nary a pa'tridge left. It air jes' like havin' money in the bank, son—if'n ya keep on takin' out 'ithout puttin' back you're a'mighty sartin to go bankrupt.

In those days, nobody had given any serious thought to putting wild game back into the woods and fields. The disappearance of our game was accepted as a natural manifestation of the survival of the fittest as the spread of population blotted out

more and more of the wilderness.

The year before I had listened to similar words from old Bill Rawlins, who had lived all his life on a farm along Cedar Run in the Pennsylvania mountains above Williamsport.

Wild game became scarce

"USED ter be a sight o' deer here when I was a boy," Bill Rawlins had said. "Now ya kin foller a deer trail in the snow fur a hull day 'ithout seein' a cross-trail of another deer."

Then came the automobile carrying more and more sportsmen to more and more distant fields to further the depletion of our wildlife. Now, it is

the automobile industry that has started forces to operate to repair the damage.

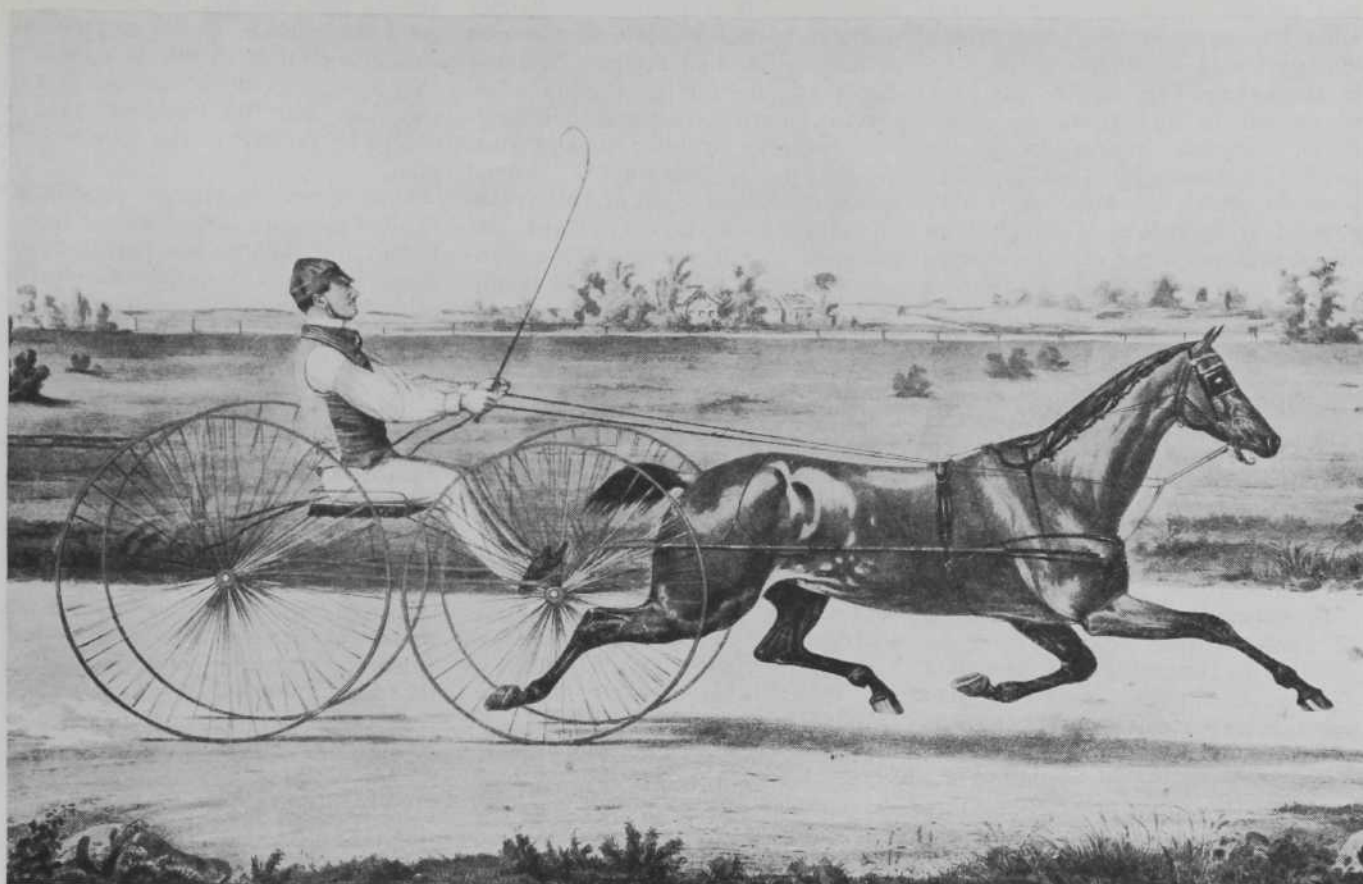
American motor car manufacturers, through a survey of their sales channels, have discovered that an important percentage of their revenue comes from those who hunt and fish. Questionnaires to car users have disclosed that more automobiles are sold to sportsmen than to non-sportsmen.

The survey reveals that more than 5,000,000 automobiles carry sportsmen into the game fields annually. If they travel an average of only 700 miles a car per year for their outdoor sport—a conservative estimate—



H. ARMSTRONG ROBERTS

When the gun barked a cash register tinkled somewhere because figures show sportsmen spend \$1,000,000,000 following game annually



"Flora Temple," from an old print by Currier and Ives



Flora Temple's

WORLD RECORD WAS 2:19³/₄

History was made at Kalamazoo, back in 1859. Hitched to a specially built four-wheeled racing wagon, the great mare, Flora Temple, trotted the world's fastest mile—in 2 minutes, 19³/₄ seconds.

At one of today's Grand Circuit meetings you may see horses with records of 2 minutes or better. But they are pulling tiny two-wheeled sulkies, so light that they can easily be lifted with one hand. And you wonder what Flora Temple's time might have been if modern equipment had been invented in her day.

A few years ago, engineers of the Edw. G. Budd Manufacturing Company asked themselves the same

question about railroad trains. They had the ideal material—stainless steel, with four times the elastic strength of ordinary steel and more than twice the strength of cheaper alloys. And they had the exclusive Budd SHOTWELD process for fabricating it. Calculations showed that they could build railroad cars weighing only a little over half as much as conventional cars, yet stronger and safer.

Those plans of theirs, translated into gleaming, streamlined trains, are making history along the rails today. Less weight to pull. Faster schedules. Greater comfort and convenience for passengers. And gratifying savings in the cost of

operation, whether steam, diesel or electric locomotives are used.

The popularity of Budd-built stainless-steel trains has been an outstanding factor in the present revival of railroad travel. Swift, spacious, luxurious in their appointments, they have won a million new friends for rail transportation.

Originator of ALL STEEL bodies for automobiles, now used almost universally, the Edw. G. Budd Manufacturing Company has pioneered modern methods in the design and fabrication of steel products.

EDW. G. BUDD MANUFACTURING COMPANY

PHILADELPHIA AND DETROIT

BUDD METHODS SAFELY ELIMINATE DEAD-WEIGHT



that makes a total of 3,500,000,000 miles. The average life of cars driven by sportsmen is 40,000 miles. The total mileage driven in carrying sportsmen to and from the game fields, therefore, represents an annual replacement of 87,500 automobiles for which the hunting of wild game is responsible. With \$800 as an average price per car, the sportsman's gun is responsible for revenues totalling \$70,000,000 a year in automobile sales.

Sportsman helps business

A CAR traveling 40,000 miles will use up at least eight tires. Thus the trip to and from the game fields uses up 700,000 tires annually. At an average price of \$9 a tire, that means \$6,300,000 a year in tire business.

In carrying sportsmen to and from the game fields, automobiles consume gasoline to the value of \$35,000,000 a year. Changing oil every 1,000 miles, the sportsmen pay an annual oil bill of \$3,500,000.

Thus the automobile industry's survey indicates that \$112,700,000 is dumped into the stream of the nation's business annually for automobiles, tires, gas and oil in the transportation of sportsmen. But even this is only a part of the sportsman's transportation bill—he spends many more millions with railroads, bus companies, and aviation lines.

The United States Bureau of Biological Survey has estimated that the game fields are responsible for business revenues totalling about \$1,000,000,000 a year, and that these rev-

enues are widely distributed. Sportsmen are spenders and every branch of industry shares in their business directly or indirectly—the manufacturers of automobiles and their dealers, cameras, rubber and woolen goods, boats, beverages, canned goods, producers of gas and oil, transportation lines, hotels, camps and cottages, sporting arms and ammunition makers, fishing tackle manufacturers, clothing and shoe stores and many other enterprises.

The report of the United States Department of Commerce for 1929 (the latest available) gives the factory value of sporting rifles manufactured in that year as \$4,572,123, and that of shotguns as \$8,865,944—or a total factory value of \$13,438,067 in arms used for hunting alone. Add to this factory value 12½ per cent as the jobber's price and the 25 per cent that is tacked on by the retailer—and you get \$18,897,280.46 as the retail value of guns manufactured for sportsmen in 1929. The same Department of Commerce report includes \$17,352,916 additional in firearms parts and accessories.

The Department of Commerce report on the ammunition industry for 1929 (latest available) gives the factory value of shotgun shells produced in that year as \$21,663,280, and the factory value of rifle cartridges as \$9,382,645. Adding 12½ per cent for the jobber

and 25 per cent for the retailer, we get \$43,658,344.52 as the sportsmen's annual ammunition bill. A considerable portion of this is devoted to trap shooting—but this business revenue is all a by-product of the sportsmen's gun.

How much sportsmen spend annually for hunting clothes, shoes, hotel and camp accommodations, dogs, tents, guides, and equipment cannot be accurately computed but it runs into additional millions.

Visitors hunt and fish

THE New England Council, an organization composed of prominent business men of the six New England states, estimates that 3,000,000 visitors bring to these states about \$500,000,000 annually—and that a large percentage of this comes from those who hunt and fish.

From the same source we learn that the product of the game fields is the second most important crop of New Hampshire. It brings that state an annual income of \$5,931,000 from

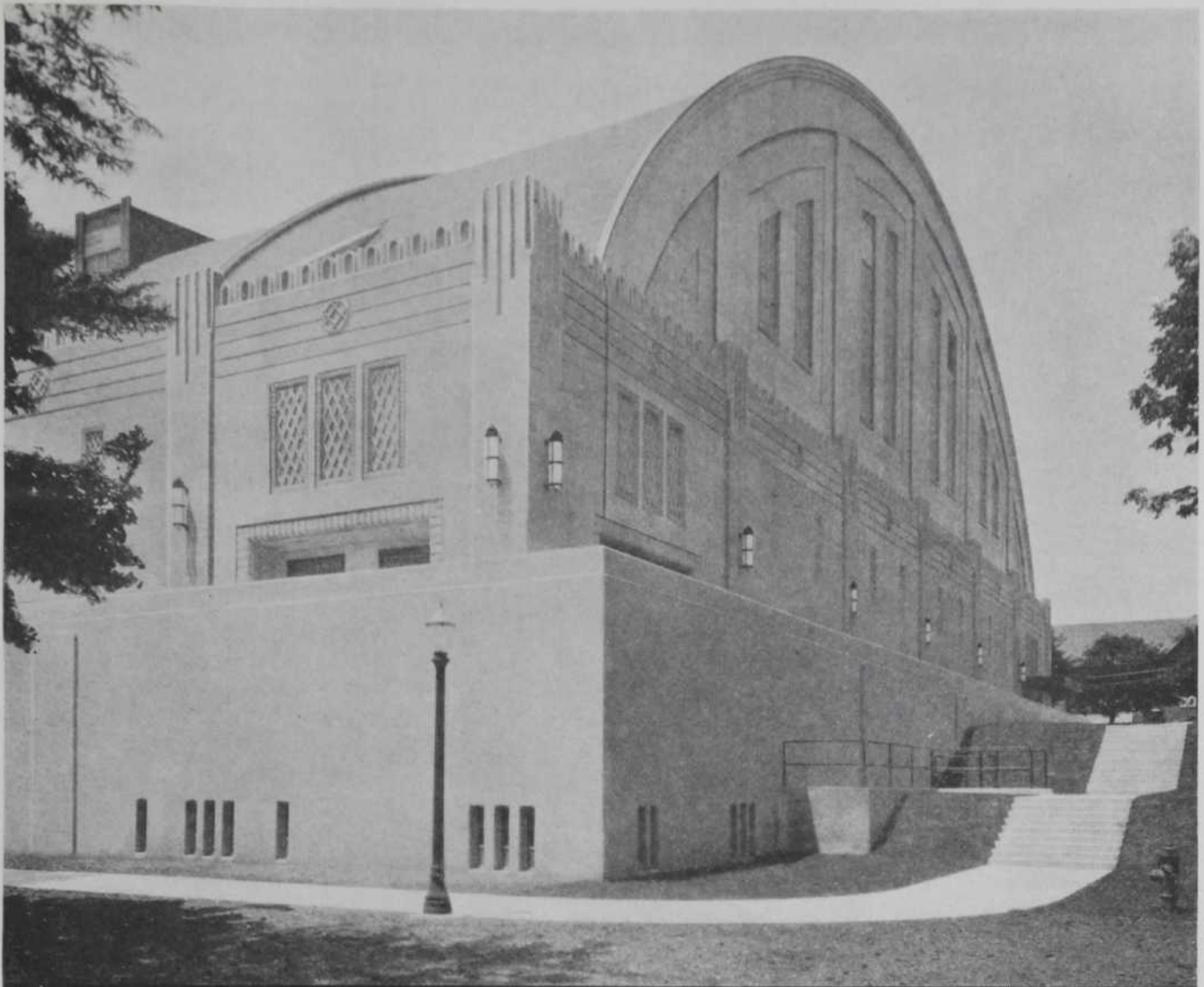
(Continued on page 96)



HOMER W. CLARK

William B. Coleman with his quail hen which laid 501 eggs in four years

A game protector caring for young deer in a sanctuary such as has brought hunting back to Pennsylvania



**"GIANT" OR "PYGMY," ANY BUILDING CAN HAVE
BEAUTY AND ECONOMY WITH CONCRETE**

The Hershey Sports Arena at Hershey, Pa., has architectural concrete walls and the largest single-span concrete roof on this continent. Ornament cast integrally with walls. Overall size of building, 356 x 245 ft. Designed and built by Hershey Lumber Products, D. Paul Witmer, manager. Z-D roof designed by Roberts & Schaefer, Chicago, Ill.

A BRILLIANT and exciting building is the Hershey Sports Arena! It solves a host of intricate structural problems. It presents the largest single-span concrete roof in America. And it gives magnificent proof of the versatility of concrete.

Whether you are planning a sports arena, factory, store or office, concrete can give your building architectural distinction at moderate cost. The secret is this: concrete combines structural and architectural functions in *one* material. Walls and ornament are cast integrally with frame and

floors. Low first cost is followed by low maintenance. And the building stands firm against fire, storm, decay and even earthquake.

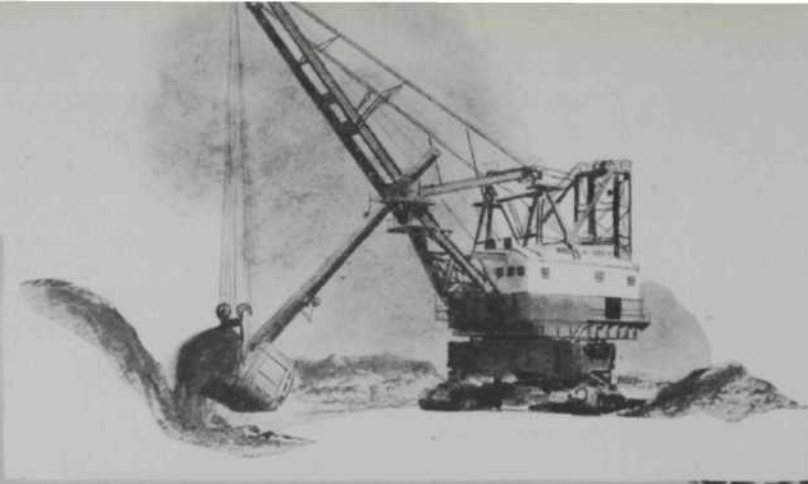
Ask your architect or engineer how concrete can serve you efficiently and economically. Or let one of our engineers call. Write for free booklet, *"Beauty in Walls of Architectural Concrete."*

PORTLAND CEMENT ASSOCIATION

Dept. 10-44, 33 W. Grand Ave., Chicago, Ill.

A national organization to improve and extend the uses of concrete through scientific research and engineering field work.

THE LESS IT



DOWN GOES DEAD WEIGHT—UP GOES CAPACITY! 50 tons per bite in place of 27. Since USS Man-ten is nearly twice as strong as ordinary steels, the new dipper and boom are lighter, can dig more with the same power.

WEIGHS — THE MORE IT EATS

50 tons in one bite!
—thanks to a new kind of steel

**THE WORLD MOVES
FORWARD WITH STEEL**



NOT LONG AGO, great stripping shovels lifted 27 tons in one bite. At that time their big dippers and long booms were made of ordinary steel.

Then came USS Man-ten, a new kind of steel from the laboratories of United States Steel. USS Man-ten is nearly twice as strong as ordinary steel; hence much less *weight* of steel is needed. It resists abrasion, lasts longer.

The giant dipper and boom of the stripping shovel illustrated here are made of this new kind of steel. Therefore this dipper

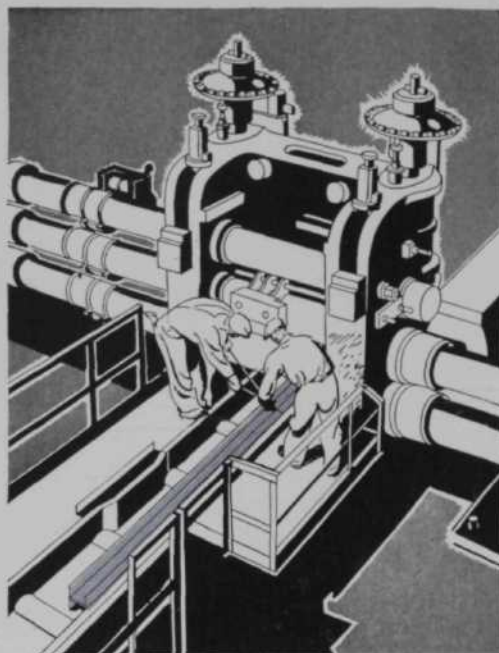
can take 50 tons in one bite—70 bites in one hour! From 27 tons to 50 tons—because of the saving in weight made possible by USS Man-ten! This means, too, that the shovel does a given job in half the time it used to take—with no increase in power.

There was a need for USS Man-ten, and the 89 research laboratories of United States Steel were there to meet the need. Perhaps you have a steel need or a steel problem in your business. If so, we invite you cordially to “put it up to United States Steel.”



AMERICAN BRIDGE COMPANY • AMERICAN STEEL & WIRE COMPANY
CARNEGIE-ILLINOIS STEEL CORPORATION • COLUMBIA STEEL
COMPANY • CYCLONE FENCE COMPANY • FEDERAL SHIPBUILDING
AND DRY DOCK COMPANY • NATIONAL TUBE COMPANY • OIL
WELL SUPPLY COMPANY • SCULLY STEEL PRODUCTS COMPANY
TENNESSEE COAL, IRON & RAILROAD COMPANY • UNIVERSAL ATLAS
CEMENT COMPANY • *United States Steel Corporation Subsidiaries*

UNITED STATES STEEL



SOMETIMES IT'S WISE TO BE A CRYSTAL GAZER



The spectacular new railroad trains of aluminum illustrate a bit of business philosophy.

What could be more logical than the idea of building trains of aluminum? Lightness means money to a railroad. Aluminum is light and research has made it strong. Anyone might well say, "Let's take enough of the strong alloys of aluminum and form them into a train."

Suppose it was your own personal idea. You might go to the railroads and say, "Surely this is an obvious thing to do. If you will order the metal to make the coaches, we will be glad to build mills big enough to roll the 90-foot beams you will need."

The railroad man would counter, "If you will build a mill, make some beams and plates, and prove them to be satisfactory, then we will begin to consider your good idea." One is reminded of the ancient riddle: Which came first, the chicken or the egg?

It takes faith to put millions into mills which

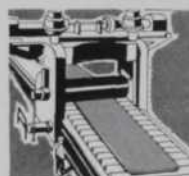
would not be needed if the idea did not hatch. And it takes thorough-going technical knowledge of how the job is to be done to justify the risk of such heavy investments in advance of profitable volume.

Out of one such future-looking investment came the modern aluminum streamline train, with all that it implies in better transportation today and tomorrow.

It is this sort of crystal gazing that built the first aluminum shape rolling mill, when its output was still unwanted; the first wire mill, tube mill and many others.

It has been our policy in the past to reinvest a large share of our earnings in the future of aluminum, thus increasing its usefulness to all industry.

The number of forms in which aluminum is available, its many useful alloys, the know-how which has been accumulated for the benefit of users, and the employment which the industry provides for thousands of men and women, all spring directly from this basic philosophy.



REG. U.S. PAT. OFF.

ALUMINUM COMPANY OF AMERICA

"Beat you to it!" yelled the Uninvited Guest with impish glee. "I've already collected 20 per cent on your hosiery, shirt, shoes and clothes."

"Don't believe it," said Mr. Average American defiantly. "Prove it."

"Simple," was the quick reply. "I collected 63 taxes on that \$35 suit you bought last week. They totalled \$6.86. And those shoes . . . do you know that, for every four pairs of shoes you buy, there's an invisible fifth pair you've paid for and might have owned if it weren't for me? I get the fifth pair!"

Bread is heavily taxed

MR. AMERICAN went downstairs to join his wife at the breakfast table, but the Uninvited Guest was already comfortably seated between them.

"Can't lose me," he chirped cheerfully. "Pass me that bread, will you? I've already collected 58 taxes on it and I might almost call it mine."

"Stop exaggerating," frowned Mr. American.

"Exaggerating, huh?" snapped the Uninvited Guest. "Listen! The farmer paid seven taxes on this bread, the grain elevator paid ten, the flour mill paid eight, the railroad 11, the truck owner seven, the baking company nine, and the retail store six. All those were passed right on to you in the price you paid for this loaf."

Mr. American nibbled thoughtfully on his piece of bread. He put it down unfinished. It had suddenly lost its taste.

"Here, have some bacon," smirked the Uninvited Guest. "It's yours, now that I've gotten my 38 taxes out of it."

Mr. American sipped his coffee and thought wicked thoughts about his spectral visitor.

"Taste sweet enough?" the latter purred. "It ought to. Worth 45 taxes to me—the sugar, I mean." By this time Mr. American was growling audibly.

"Pass me the milk, please," said Mrs. Average American.

I GET THE
FIFTH PAIR



"Sure," interrupted the Uninvited Guest, and continued (even though Mrs. American couldn't hear him): "One and a half cents on a quart of that precious fluid! That counts up to plenty in a day, if you ask me."

"We're not asking you!" shouted Mr. American.

"Why, Average, what are you grumbling about? The coffee cold?" inquired the lady of the house.

"Nothing, nothing," replied her husband, evasively.

"What's the matter?" put in the Uninvited Guest. "Afraid to tell her about me? I suppose you think women can't understand finance. Why don't you tell her that I collected two cents on that 50 cent box of face powder she bought yesterday; that I got 50 cents on that new camera she paid \$10 for on your birthday; and that I got five cents out of that dollar baseball glove you gave Junior on his birthday?"

Mr. Average American pushed back his dish of fruit (canned, plus 32 taxes)—half eaten.

THINK YOU CAN
ESCAPE ME HERE?



Taxes on radio

MRS. AMERICAN looked at him with questioning eyes. "What ails him this morning?" she said to herself. And then aloud, "Dear, just turn on the radio and get the correct time on Prof. Dumbbell's Gym Class Hour, will you?"

Mr. American walked over to the radio, but his Uninvited Guest was already there, leaning nonchalantly on the cabinet.

"Pretty nice radio you have here," he said. "Paid \$50 for it, didn't you? Cheap at that—and just think, I got \$1.25 on that. That's not all, either. Whenever you need a new tube or part I'll get five per cent on all them, too."

"Average," said Mrs. American, "I don't like to remind you, but this is Tuesday and we've invited Mr. and Mrs. Andy Consumer over for a few rubbers of contract. We won't play

(Continued on page 92)

Transporting Fish by Airplane



Commercial fishermen get their beauties from holes in the ice, take them by sled to base camp, where airplanes call

CANADIAN NATIONAL RAILWAYS

DEPT. OF INTERIOR,
CANADA



CITIES in the Middle West and as far east as New York are to have fresh fish caught in the lakes of western Canada.

The catch of fish from the prairie provinces has in recent years become big business, running annually into about \$4,000,000. The fishing industry in the Canadian West is but a few years old, but air transportation to Canadian cities, and now to United States cities, in winter time has partly accounted for the rapid growth of the industry. Fish caught in the morning several hundred miles north of a western city can be delivered in the city in time for lunch.

In addition to aerial transport of fish from the western lakes, motor tractors are being used to bring the fish to market.

In the late autumn, just before freeze-up, scows are built, powered with outboard motors, loaded with nets and other fishing supplies, as well as with food, clothing, blankets and a radio, ready to set out for winter quarters on the shores of one of the innumerable lakes in the northern part of the prairie provinces.

Once at their chosen spots, the fishermen erect a cabin, store their provisions, get in a supply of wood, set up their radio to keep in touch with the outside world, and when there is enough ice on the lake, they cut holes in the ice to insert their nets.

Eight or ten nets are strung out on one line under the ice, and daily the catch is hauled up. The fish are dressed on the ice, packed in wooden boxes, and shipped out as fast as the sleds are loaded or the planes land at the fishing camps. Trout and whitefish are the principal catch.

—JAMES MONTAGNES

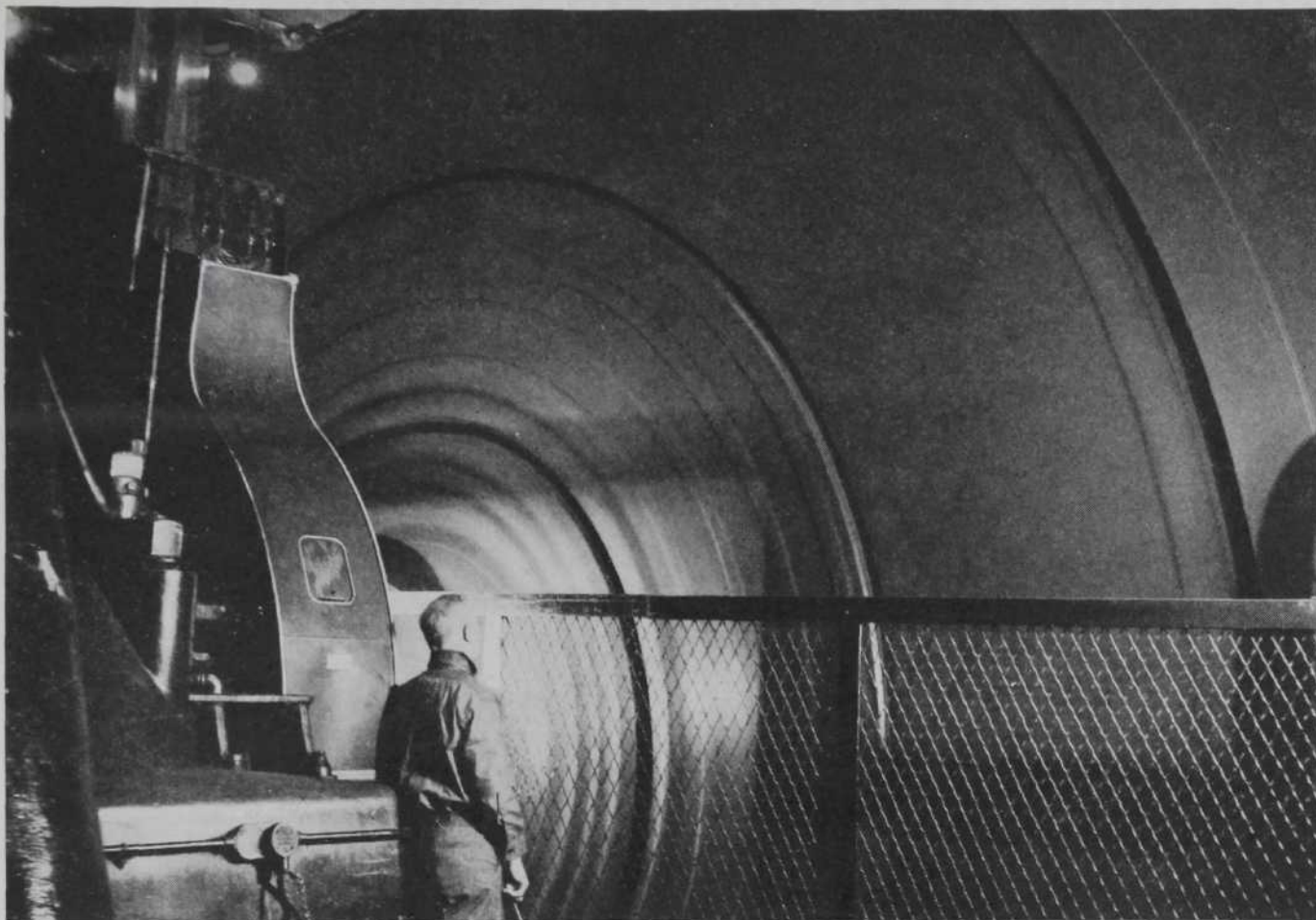


In circle—Indian removing fish from net with his teeth. Below—a trio of aerial freighters after unloading at a Saskatchewan railway base



CANADIAN AIRWAYS PHOTO

This load of fish in pans has just come 80 miles by air out of the northern Ontario lakes to Kenora, Ontario



PEACE OF MIND . . . at a mile a minute

In one plant, giant flywheel-rotors, their rims racing at a mile a minute, hum a pæan of power. In another, within turbine-casings, rotating blades pass stationary buckets at 250 miles per hour. Yet, even where such dramatic speeds reign, *peace of mind may be purchased . . . with a Hartford Steam Boiler policy.*

When catastrophe strikes the equipment it insures, Hartford is quick to indemnify. But, first and foremost, Hartford scrutinizes,

counsels, co-operates with management to minimize the perils of power. Its 70 years of experience in this highly specialized field alone . . . the knowledge gained from 18,000,000 inspections . . . its ceaseless and unique home-office research . . . the trained vigilance of its far-flung field

force have built a buttress of strength and wisdom upon which your plant, large or small, can lean with confidence. *For Hartford combines the vision of the pioneer with the skill of the veteran.*

Your local agent or broker stands ready to explain the value of a Hartford contract to you.

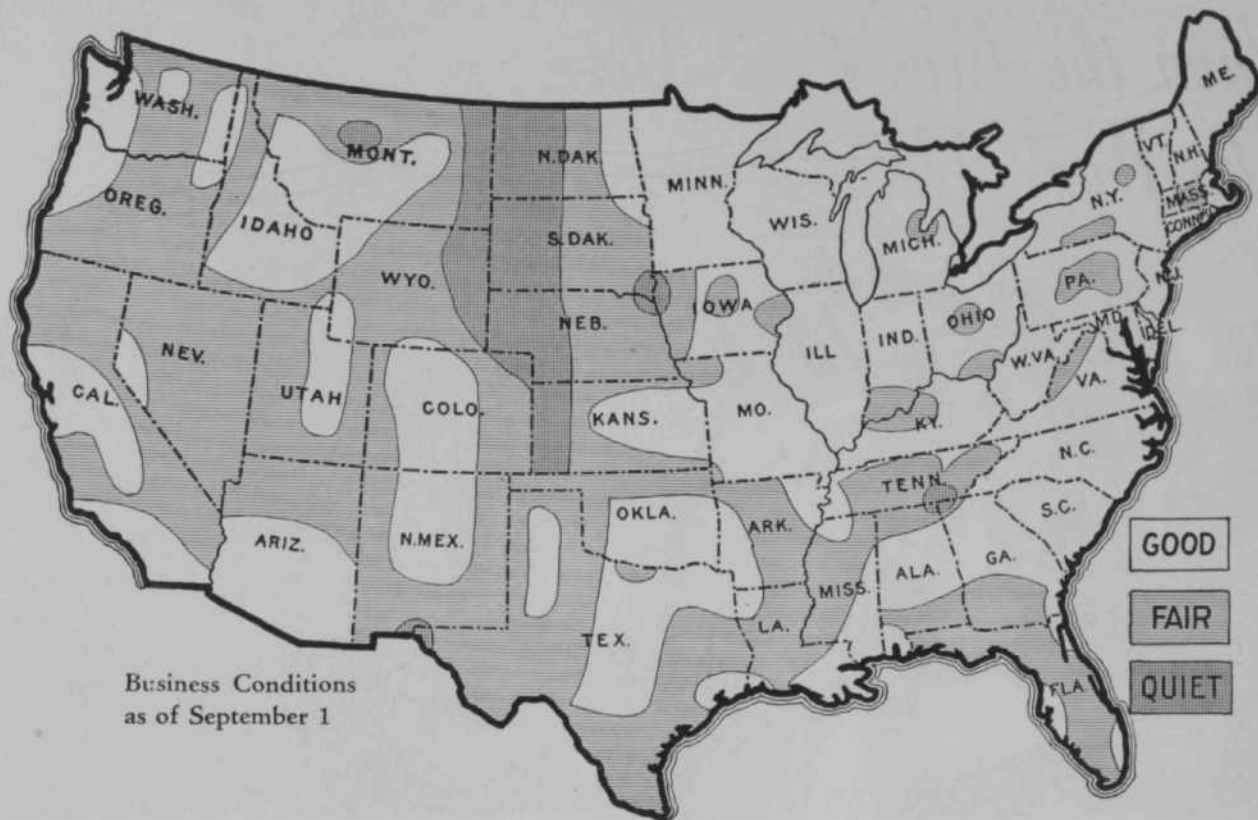
This familiar seal, the hall-mark of the largest purely engineering insurance company in the world, appears on all Hartford Steam Boiler policies. . . . Engineering insurance covers loss from damage to property or persons, and stoppage of production, business or rents due to explosions of boilers and pressure vessels, and accidents to power and electrical machines. . . . 90% of all America's power boilers bear the HSB imprint, placed thereon by the Hartford inspector who passed upon their design and watched their construction.



**THE HARTFORD STEAM BOILER INSPECTION
AND INSURANCE COMPANY, Hartford, Connecticut**

The Map of the Nation's Business

By FRANK GREENE

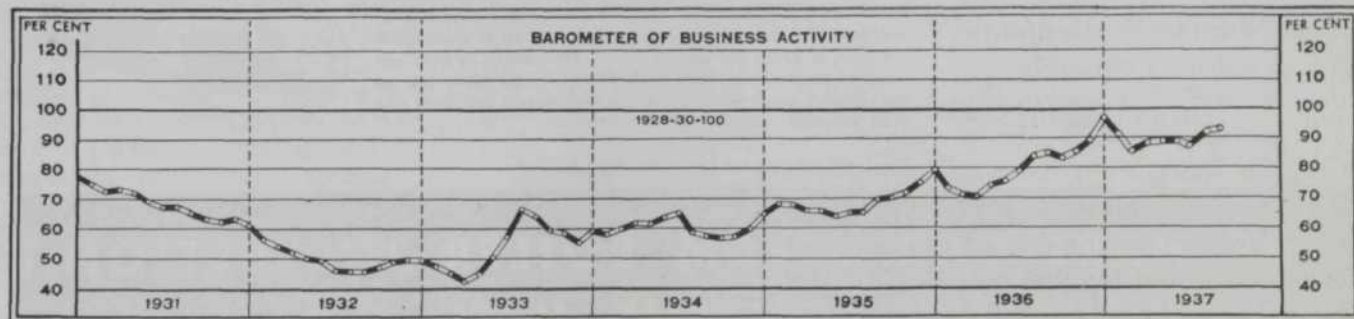
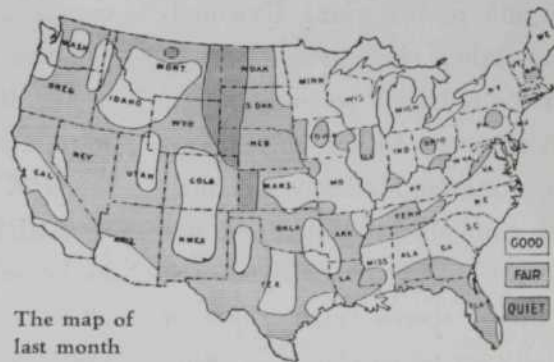


AUGUST was a month of rather slight ebb and flow movements in trade and industry. Business as a whole was better than in the same month a year ago. Changing conditions of important crop supplies made for conservatism and deliberation. Most of the late crops, particularly corn and cotton which were favored by warm weather, made more progress toward expected immense yields. Grain prices show high premiums in nearby positions, but a trend toward lower levels for futures. The Dun & Bradstreet Commodity Price Index receded but maintained a good percentage gain over a year ago.

Industry seemed to hold its own with more confidence, but here, also, gains tended to taper. Steel production showed a slight uplift from the summer low, while electric output set up a new all-time high record. Strikes were numerous but not so prevalent as in recent months.

The need of industrial peace for the best interests of the country seemed to be more generally stressed and the continuance of strife between labor organizations was increasingly deprecated.

The Map maintains its cheerful aspect, aided by activities in agriculture and industry, which have taken up much surplus labor.



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

Prospects of bumper crops, continued activity in mine, metal and electrical outputs and preparations for heavy holiday trade have moved the chart line slightly higher, despite uncertainties affecting trade with the Far East.

*When the Eyes Don't Move
The Work Moves Faster...*

*by 15% to
25%*



WATCH any Underwood Sundstrand operator . . . her eyes follow the work. See the fingers of her right hand flash over the condensed 10 keys without looking at the keyboard . . . watch her tap out figures 15 to 25% faster and more accurately than on any other adding-figuring machine you have ever known.

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selection, Touch Figuring comes naturally.

Let the Underwood Sundstrand demonstrate on your own work in your own office its ability to add, subtract, multiply and divide with speed, ease and accuracy. After all,

There is an Underwood Sundstrand Adding-Figuring Machine, hand or electrically operated, for every figuring purpose...and backed by nation-wide company-owned service facilities.

**10
NUMERAL
KEYS...
THAT'S
ALL**



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ADDING-FIGURING MACHINES

Leaders in the March of Business.



Oswald W. Knauth



M. Wallace Hobson and Evarts C. Stevens



Lew Hahn

OSWALD W. KNAUTH is president of Associated Dry Goods Corporation. Its member store, J. N. Adam & Co. of Buffalo, has opened a new branch in Niagara Falls. The corporation controls two stores in both New York City and Buffalo and one unit in each of the cities of Newark, Baltimore, Louisville and Minneapolis.

Evarts C. Stevens, president of International Silver Company, honors M. Wallace Hobson upon completion of 70 years' service with his company. The company is celebrating the 90th anniversary of the founding of the firm of Rogers Bros., which concern in 1898 combined with other leading manufacturers of silver and silver-plated ware to form the present company.

Lew Hahn becomes administrative staff head of the National Retail Dry Goods Association on October 1. He had served as managing director of that association from 1918 to 1928 and was its president during the N.R.A. code-making era.

O. J. Arnold, president, Northwestern National Life Insurance Company, Minneapolis, and a director of the Chamber of Commerce of the United States heads Chamber's Insurance Committee which has announced joint sponsorship with American Health Association of new Health Conservation Contests. For the first time in the history of the Chamber's City Health Contests, awards will be offered for syphilis and tuberculosis control.

Paul G. Hoffman, president of the Studebaker Corporation, proposes that automobile drivers carry "little red books" containing an up-to-date record of any accidents, arrests or convictions as one of seven measures that would help reduce annual automobile fatalities from 38,000 to 18,500.



O. J. Arnold



Paul G. Hoffman

THE NATIONAL MANUFACTURING CO.
702 BROADWAY
NEW YORK, N. Y.

INVOICE NO. 1890

SOLD TO
THE WESTERN SALES CO
5567 GRANTWOOD ST
METROPOLIS INDIANA

CUSTOMER'S ORDER NO. 2149

HOW SHIPPED
EXPRESS COLLECT

QUANTITY	DESCRIPTION	DATE SHIPPED	UNIT PRICE	INVOICE DATE	AMOUNT
3	CONVERTER ASSEMBLY CPT	9/15/37	225	9/16/37	675
20	RETAINER WASHERS		10		200
9	BRACKETS		45		405
4	RETAINERS		20		80
2	TIGHTNER ARMS		25		50
6	TIGHTNER ARMS		10		60
100	GEARS		275		27500
1	CHAIN		3		3
	FT BUSHINGS		37		37
			12		12
			60		60
			320		320
			55		55
			23		23
			19		19
			15		15
			1		1
					7483.

Even the descriptions on this bill were printed automatically from punched cards"

REPORTS and records, complete in every detail, are prepared automatically by International Electric Bookkeeping and Accounting Machines from punched cards.

In the billing procedure, for example, amounts are automatically computed and descriptions automatically printed. Many of the operations involved in this procedure can be performed well in advance. This often leaves little more than the printing of the bill to be accomplished at the time of billing. Neither manual nor key posting is required. Accuracy, too, is assured because the totals are bound to be in agreement with the original records from which the cards are punched.

The automatic action of International Electric Bookkeeping and Accounting Machines is bringing efficiency and greater speed to such important functions as Sales Analysis, Payroll and Labor Accounting,

Social Security Accounting, Inventory, and many others.

Your nearest International representative will be pleased to demonstrate how and why the punched card method will bring closer executive control to the management of your business. Call him today. No obligation.

See the demonstration of International Electric Bookkeeping and Accounting Machines at the National Business Show, Port of New York Authority Building, New York, N. Y. October 18th to 23rd.

INTERNATIONAL
BUSINESS  **MACHINES**
CORPORATION

Washington and Your Business

By HERBERT COREY

Same Harmony, Bigger Drums

KEEP your eyes on the National Resources Committee. It will be the Brains Trust of the future, displacing the kettledrum and campus variety of the recent past. The NRC is made up of seasoned men, somewhat academic perhaps, but equipped with cerebellums, vocabularies and chest-hair. Its report on "Technological Trends and National Policy" is almost a best seller and covers everything from the weather to making fuel out of oats' hulls. In it are vivid flashes:

"The many new inventions may be likened to an invasion by iron men."

But the NRC keeps its shirt on in dealing with controversial subjects. Its theories may be quarreled with but not its facts. It points out, for instance, that "ordinarily hydroelectric plants will involve a cost of \$150 per kilowatt as compared to \$75 to \$125 for steam-electric plants" and that steam can deliver current at four mills per kilowatt-hour at the bus-bar as against 6.3 mills for water power. It observes that the cost of distribution is greater than that of generation and that in the Northwest, where is the bulk of available water-power, the distances are greater and the demands less. That is a hearty rebuff for the Seven TVA's plan.

Don't Cheer— Poor Devils!

PRIVATE utility men need not cheer. The poor devils are dying if the gossip about the NRC is based on anything more substantial than a keyhole. For although the report goes on to say that:

"In many localities, however, absence of fuel costs does not make up for high fixed charges and low reliability of water power"—

The story goes that the report to be rendered in December, just in time for the regular session of Congress, will take an advanced position for the Federal control and management of everything. The Committee says that:

What is needed, of course, is a group of thinkers who will make it their business to devote a continuing study of some duration to future trends and whose work will be given adequate recognition.

Maybe I'm wrong, but I thought that such serious thinkers as Henry Ford and C. F. Kettering and Jim Hill—to name only three—not only did pretty well with their continuing studies but obtained adequate recognition.

Sharper Than a Serpent's Tooth

THOSE who do not remember the rest of the quotation of which that headline is a part may look it up. Perhaps it has nothing to do with this paragraph, anyhow. Yet I read in a copyrighted despatch from Washington that Mr. Roosevelt signed the Miller-Tydings bill reluctantly. He felt, wrote the copyrighter, that it will tend to increase living costs. It exempts from the antitrust laws shipments of goods under the price maintenance acts existing in 42 states. This slaps in the face Robert H. Jackson, Assistant U. S. Attorney General, who is charged with enforcing the antitrust legislation which has been on the statute books since the passage of the Sherman

Act in 1890, and the other antitrusters who have been complaining that not enough money has been allowed for antitrust legislation.

At or about the same time, a statement appeared in the news columns that an association of merchants in Massachusetts formally thanked son James Roosevelt and Postmaster General Farley for lobbying the Miller-Tydings bill through congress.

It Cuts Like Broken Glass

THAT slight rustling noise sometimes heard may have been caused by the late Patrick Henry shifting uneasily in his tomb. A fairly well-to-do merchant of his state is quoted as admitting that he is not satisfied with some of the things that are going on:

"But," he said, "I understand that it is illegal to criticise the Government."

Therefore no one will criticise the law fathered by Senator Homer T. Bone in the closing days of congress, and which seems to have almost escaped attention. In effect it bars the federal courts to litigants who wish to contest the state and local taxes assessed against them. Under the Bone law they must first pay. Then they may take their chance of getting their money back through the courts.

Imitation of a Pillar of Salt

IT IS on record that it is sometimes dangerous to look back. But it seems to be a fact that the lower income tax rate of 1926 may bring more boodle—and if there's a better name for it, find it—than the higher rates did in 1936, when there was about the same amount of business. That seems to have no immediate bearing on the situation, however. Congress will be offered three choices next session. It may take all three. They are:

A broadening of the base of the income tax. The primary suggestion may be to take in the \$1,000 income.

A general excise tax on manufactures.

A constitutional amendment to get at the hitherto tax exempt securities and federal and state employees.

There is, of course, another way. The spending might be cut down. Congress may hear from the taxpayers during the vacation.

They Haven't Whimpered Yet

IT WAS Senator Allison, I think, who gave the classic description of silence: "A mouse in soft slippers creeping through a warehouse filled with wool."

There is no immediate prospect that the taxpayers will complain. At intervals I go through the newspaper files at the Congressional Library. The general impression left on my mind is that the 20 or 30 cities represented there are all cheeping about the boost in taxes, but that there has been no effort in any one of them to cut down municipal spending. This impression was confirmed by a recent visit to a charming nearby city.

"We do not like the high tax rate," I was told, "but we know the money is being spent and we must make it up."

If any one knows of one city in the entire United States in which the tax rate has been cut down through



Business grows on the
forms, communications and
sales literature it uses

MULTILITHING

is the New economical way
to produce these essentials

Supporting the working organization of any business is its system of written instructions, records and reports . . . its inside and outside communications . . . its advertising and selling literature . . . words, lines and pictures on paper.

Efficiently organized and used, these *tools of accomplishment* give life and force to business. But, obviously, their quality and cost are important factors. And quick, easy production adds to their value in time saving.

Business now has available a *new* and *faster* method for production of all these office, store and factory essentials . . . a *quality method* for office use that also saves large sums of money. That *new, improved* office method is Multilithing!

Write, on business stationery, for Facts About Multilithing, with samples of typical work by this wholly different process.



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the exercise of decent economy I'd like to hear about it. I'll try to give that city some publicity.

Money for the Dear Reindeer

THE bill has been made a law and the President has signed it giving \$2,000,000 to the Lomen interests for their reindeer in Alaska, and maybe it is a good law. But the reason for this paragraph is that there is a story to tell. One day, years ago, Carl Lomen, who owns the reindeer, and Vilhjalmur Stefansson, who lived on little else for some winters in the Arctic, and the banking Baldwin brothers of New York were dining in the Century Club. Lomen was telling of the tough time he had had in breeding reindeer since he brought the first herd to Alaska in 1914.

"I think we might put a little money in with Lomen," said one Baldwin brother to another. "Say \$500,000?" "No," said the other Baldwin. "I think \$700,000."

There is a separate story in the Baldwin brothers, who were as completely partners, mentally, financially and spiritually, as two men could be, but it does not belong here. For the information of cynics it may be said that the Baldwins did not ask or take any money back when the Lomens got that \$2,000,000. They had gone along only for the fun of it.

Suit the Action To the Word

"I hear you're going to run a steamship in opposition to our boats," said the Guggenheim.

"Is that what you hear?" asked the Baldwin, mildly. "Fools rush in," said the Guggenheim, "where angels fear to tread." That was a tactical error.

"What you heard was true," said the Baldwin. "We're going to run a steamship. I've just decided."

They ran it to a fareyouwell, too.

A Visit to a Little City

DURING the Baldwins' participation, the Lomens ran crosswise of the powerful Guggenheim interests. One day one of the Baldwins met a Guggenheim man in an elevator:

IN the little city in which the taxpayers are reluctantly getting ready to ante up the merchants are more afraid of labor troubles than of anything else:

"We've never had any trouble here," they said. "The larger plants have been organized for years. The smaller ones have been going along without organization. We pay all we can and they know it, for our workers know about as much as we do about our business. Living is inexpensive and life is pleasant."

CIO organizers have come to town and are threatening strikes. The merchants do not know what to do. They do not want to oppose the CIO. They anticipate that a minority will favor a strike in any factory, anywhere, if the question is put. Under the circumstances expansion and future contracts seem out of the question.

What's This But Funny Business?

CHAIN store men are still gulping for breath after meeting poultry men in conference not long ago. The poultry men wanted the best price possible for their product, of course, and the chain store men were willing to pay the most they could afford. A government agent said:

"No doubt you know the Government has \$2,000,000 to spend for eggs. Do you want it?"

"No," said the poultrymen with one voice.

Was THAT a jolt? But the real shock followed:

"You're right," said the government agent.

Agent, poulterers, and chain store men agreed that the intrusion of the Government into their business

would be injurious. In the end they would profit by preserving their independence. Will the National Resources Committee please note?

Co-oping for Mutual Profit

"Get together," they advised, "grade and pack your eggs under the most rigid rules. When we know that you have done this we can pay top market price."

There will never be an egg trust as long as every housekeeper can keep her own hen. The fear was expressed that, unless the egg men get together, the Government will try to take charge of the poultry business.

Consumer Co-ops not in Sight

CONSUMER cooperatives have worked well in England and other European countries, but it was not regarded as probable that they will amount to much here until conditions change. They are needed in England because the small English grocery store is the saddest place outside the Wailing Wall, and also in the Scandinavian countries because of local conditions. The expressed opinion was:

They will work here wherever they are needed. Meanwhile competition does the work that the co-ops do abroad. In the 1929-1935 period, independent stores increased 30 per cent in units and the chain stores declined almost 9 per cent. Voluntary chains have increased miraculously in numbers and efficiency. The only advantage a regular chain has over the voluntaries is in the centralized control of finance. Against this, local acquaintance and ownership may be set up.

Jimmy Cannot Stand the Gaff

JIMMY is a hard-working, ambitious little man uptown in Washington. He began his business career with a razor and a few years ago was able to open his third beauty shop, put in some extra hot frying devices for the female customers, hire another man with a French name to do hair tricks, and look forward to retiring time.

He is selling two of his shops.

His feet hurt because he stands on them so many hours. The girls who work for him say he is getting crabby. Jimmy says he cannot pay all the taxes heaped on him. "A little man" he says, "has no chance."

Dorothy Thompson met a Tea Shoppe keeper who is trying to sell her shop after several successful years and get a job. Miss Thompson points out that the big concerns can shift their costs around and get rid of non-essential employees and somehow keep in business. It's going to be harder for the little man, says she.

Little Men Must Watch the Ball

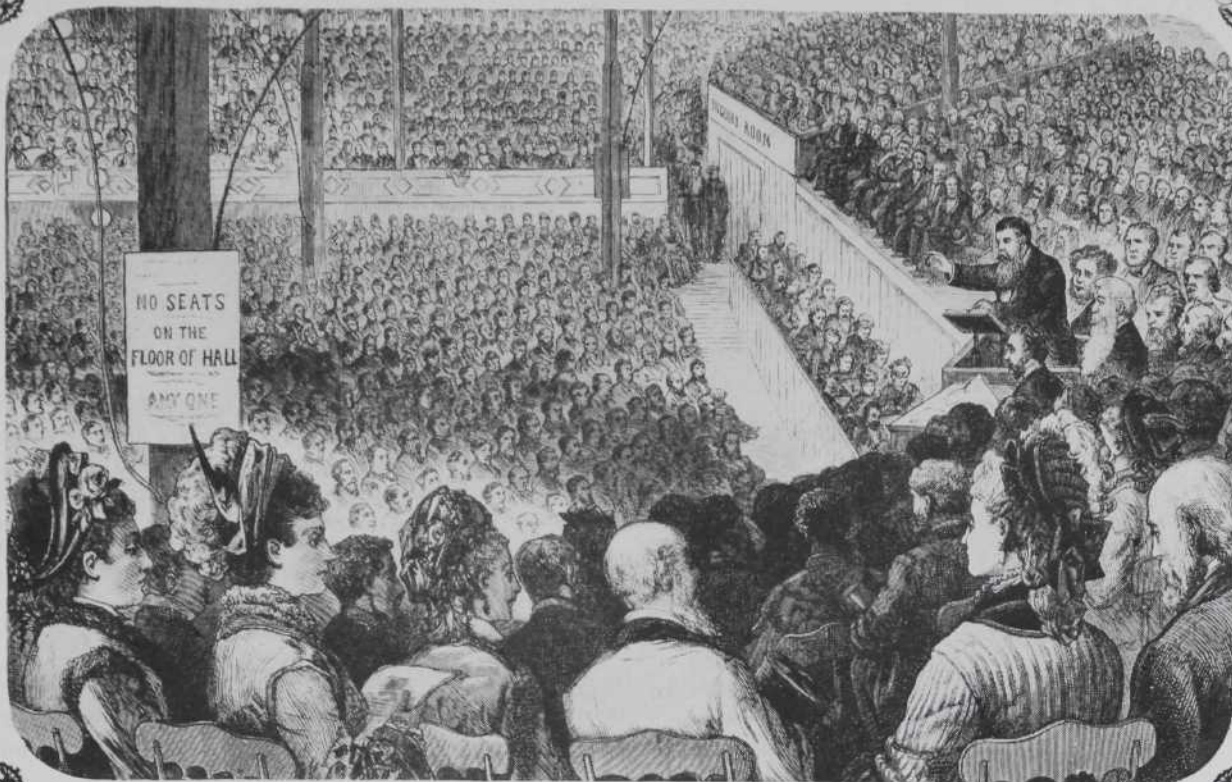
ONE of the aces in the Social Security set-up—and there's a sleeve full of aces over there—says he is surprised at the lack of knowledge business men have of Washington.

"They can't see the mountain because their noses are poked in their own bushes."

A delegation of bankers came to Washington not long ago to find out how they could get a depository for Social Security funds located in their city. They were surprised to learn that S. S. has no depositories. All its money is deposited in the Federal Treasury.

Let's Give the Boys a Break

THE Social Security folk are badly worried by that fact, too. They know as well as any one that it is silly business to take the money that employers and employees pay in to the Government as old age benefits and unemploy-



POOR ACOUSTICS MAKE HISTORY

[he might have been Governor]

UNPLEASANT reverberations blurred a word here and there, ruined his best stories; "sound pockets" swallowed up his witticisms; disconcerting echoes smothered whole sentences, robbed his well-conceived arguments of their force.

Soon cries of "Louder, louder!" filled the air. Whole sections of his audience, unable to hear, became bored, restless, inattentive. Rear rows emptied.

He rose to speak with the governorship in his pocket. He sat down a defeated man. POOR ACOUSTICS had made history—a happening that was all too common in the auditoriums of the nineties.

Making poor acoustics into good acoustics is one part of the sound-control service that the Johns-Manville Laboratories have been working on for over twenty-six years. How well that part of the job has been done you know from your own experience in noting the excellent hearing conditions prevalent in large auditoriums and motion-picture theatres everywhere.

But J-M works also with *undesired* sound . . . noise. And with equal success. Consider, for example, how J-M solves two sound-control problems typical of the noisy age in which we live . . .

A GENERAL OFFICE . . . clacking type-

writers, jangling phones, heavy foot traffic—but noise-quieting material on the ceiling absorbs 85% of the sound generated. And the quiet is reminiscent of the quill-pen era.

A MODERN HOSPITAL . . . much mechanical equipment in the basement, footsteps echoing down long corridors, elevators setting up vibration throughout the steel framework of the building—but undesired sounds are either absorbed at their source or isolated from patients' rooms. And the sick enjoy a healing quiet.

If you have a noise problem, you are invited to write for the interesting brochure, "Solving the Growing Problem of Noise." Johns-Manville, 22 E. 40th St., N. Y. C.

JOHNS-MANVILLE



J-M Acoustical Materials, developed during 26 years of research, absorb 85% of office noise. Employees are healthier, happier, more productive.

Leading broadcasting stations specify J-M Sound-Control Materials to improve acoustics within their studios, to keep outside noise outside.

In modern restaurants, J-M Acoustical Materials soften the clatter of dishes, quiet the buzz of conversation. Pleased patrons remember, return.



ment insurance and pay the running costs of the Government out of it.

But they point out that, if this money were to be permitted to pile up in the Treasury, that by-and-by the temptation to raid it would be irresistible. They know, and say, that the present arrangement is somewhat cockeyed and is certain to make trouble.

Any one who has a better arrangement to offer can get a sympathetic hearing.

This is Right from Feedbox

IT ISN'T so long ago since railroad men went into the silent trembles when one spoke of the ICC. That independent organization, the railroad men felt, was a pixy that soured their cream and mildewed their hay. Any railroad president would sit on the curb and cry as he told of the brutal tyrannies of the ICC.

"Now it's the other way," said a man who knows precisely how the I. C. Commissioners feel. "They're all for us, railroad men, lawyers, shippers and all."

The reason is that the ICC feels in its collective hearts that the railroads have been abominably treated and that something must be done to save them.

"They will be saved, of course, somehow. But we do not yet know how it can be done."

It's fine that the roads and the ICC are sympatico, of course, but the ICC is doing a little bleeding on its own account.

When the plan for the reorganization of the Government comes up in Congress next year the ICC may be called on to fight for its life.

Back to the Phaeton Days?

ONE of the prowlers in the archives turned up an odd fact the other day. The plan for the reorganization of the Government will have first place on the next congressional program.

At least it will have one of the first places. The cornerstone of the plan is the proposition to take all power away from the Comptroller-General except to say "Yes."

"Under this plan," said the prowler, "all government accounts will be checked and audited by the spending agencies. That is like giving the depositor in a bank the right to ok his own checks."

The so-called Dockery report of 1894, signed by a joint committee headed by A. M. Dockery for the House and F. M. Cockrell for the Senate, pointed out that this was the trouble with the auditing system then in vogue.

"It is clear that the present mode of settling accounts does not answer the demands of public justice or economy; and it is also clear that the divided responsibility does not protect the Government."

"Just One Thing After Another"

THAT Greenbelt housing project which was devised by Dr. Tugwell seems to be a headache. Homes for about 900 families have been provided at a total cost of something

like \$13,000,000, which works out at about \$14,500 per home.

The average family income is \$1,700. The average family with that kind of an income does not live in a \$14,500 home. But that criticism is only the beginning of Greenbelt's anxieties.

A good many of the Greenbelters had planned to open modest little businesses in Greenbelt. Nine hundred families can consume considerable quantities of groceries, meats, permanent waves, pants pressing, laundry and whatnot, and those Greenbelters who hoped to be permitted by a paternal Government to rent the neat little stores looked forward with justification to economic safety. But Greenbelt's business has been turned over

to a cooperative organization. "The people of the community," according to the news stories, "will be permitted to buy shares in this organization and will receive whatever dividends are earned."

Neither the Greenbelters nor the outside merchants who had planned to compete for the Greenbelt business seem to be pleased. The National Resources Committee, which plans to do the planning for all of us, will note that even a small job of running other peoples' lives seems to have its difficulties.

But What If We Want to Get Out?

THREE correlated news items in the utility field should be noted. The PWA has given outright \$9,043,000 and lent \$11,053,000 toward construction of big power dams in Nebraska. Ten million PWA dollars had previously been granted. It is announced that the PWA has lent and granted \$100,000,000 for new public construction. Included in the list are allotments for the construction of power plants and lines in municipalities in competition with the privately owned. Utility men say they cannot compete with "subsidized" projects. New York bankers are working on a plan to sell major utilities in Nebraska to the Government for \$100,000,000. Some utility men favor this.

"We'd rather have the Government buy us out than run us out."

It may be easy enough for the Government to get into the power business. But what if it wants to get out?

Not Even Lewis Likes This Plan

THE Coal Association says that, wherever the Government puts a hydroelectric plant at work it takes jobs away from miners and trainmen. The National Resources Committee admits that power may be produced more cheaply by steam than by water power. John L. Lewis knows that, if he loses the support of his United Mine Workers, he will have the political value of a last year's birds' nest with a hole in it. Therefore he is for coal as against water. But the Administration will at the next session urge the Norris-Mansfield-Rankin bills on Congress, which would split the United States into eight great water-power-cum-politics areas.

If Lewis can beat this plan his political rating will be bettered. If he cannot, his labor standing will be impaired. This may account for some of his recent resonant rumblings.

Army Engineers are Under Fire

HERE'S a guess. At the next session, the Army Engineers will be asked to report on the feasibility and profit-making possibilities of the big power dam plans embraced in the Norris-Mansfield-Rankin scheme. Here's another guess. They will reply that they will build the dams if they are so ordered, but that their job is not to pass on policy. Here's a third guess. An effort will be made to put the dam-building in civilian hands. A fourth guess. Congress won't do it.

Court Fight Will Go On

A PLAN will be—perhaps it has been—submitted to the American Bar Association in the hope that another attack on the Supreme Court may be headed off:

Create a new intermediate court of 11 men, made up of one man from each federal circuit court, to relieve the Supreme Court of most of the cases to which Government is a party.

That would lessen the strain and create a nice new bunch of jobs. Odds are against it, for it does not ensure control of the highest court.



Steel reinforcing cores for 29 miles of concrete siphons



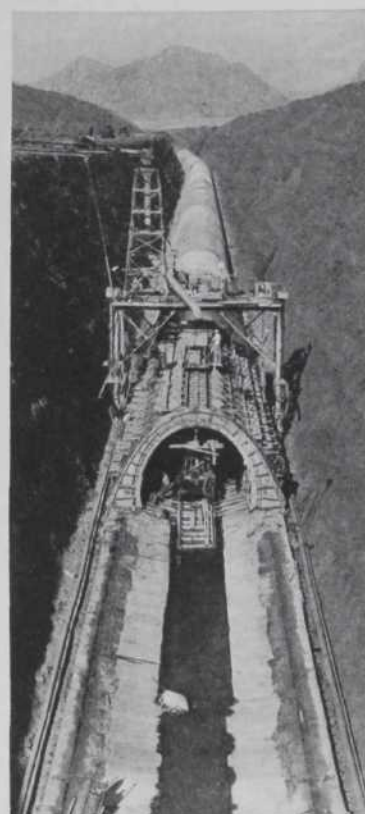
Steel construction equipment used in building concrete conduits



A Job for Giants

The Colorado River Aqueduct

This is a story of water. Of how the thirteen cities of the Metropolitan Water District of Southern California will soon be bringing to their myriad homes, their thriving industries, their rich agriculture, the snow-born surplus of the distant Colorado River • The details and problems of this undertaking stagger the lay mind. A billion gallons of water will be drawn daily from the river near Parker, Arizona; lifted 1,617 feet by the largest pumps ever made; carried across deserts and mountains by 242 miles of mainline tunnels, canals, conduits and siphons; distributed to consumers by 172 more miles of reservoirs, tunnels and pipe lines • Consider the preliminary years of research and survey; the construction of power transmission lines and a heavy-duty highway; the housing and supply of thousands of workmen in a bleak wilderness. Visualize the excavation of incredible quantities of earth and rock, the pouring of 5,000,000 cubic yards of concrete. Picture the assembly from the four corners of the country—*possible only by railroad*—of heavy and cumbersome machinery, of such single items of material as 283,000 tons of steel and 30,000,000 bags of cement • Started in 1932, the Colorado River Aqueduct was 64% complete on July 1, 1937; had cost \$138,550,000. It is a job for giants, and the Santa Fe joins all America in high tribute to the vision, the indomitable courage, and the supreme engineering skill of its builders.



A deep desert cut

Specially designed machines unload steel pipe from flat cars

• The Santa Fe has been closely identified with the construction of the Colorado River Aqueduct. We have brought to it tens of thousands of carloads of those infinitely varied supplies essential to so vast a project—petroleum products, copper wire, aluminum cable; machinery, steel, explosives; pipe and sand and cement • Among our interesting problems has been the delivery of huge transformers, standing 17 feet above the rail and weighing from 28 to 52 tons each.

Santa Fe unloads a 28-ton transformer

Glimpse from the portal of one of 38 mountain tunnels



WHERE POWER

MULES SURRENDER TO "CATERPILLAR" DIESELS

*Time and Money Saved on
Difficult 100-Mile Haul to
Mexican Mine*

To bring supplies and machinery to the plant of the San Luis Mining Company at Tayolta, Durango, Mexico, it is necessary to transport them one hundred miles from the railroad station at Dumas, Sinaloa.

Formerly the Company employed mules to pack in the equipment. They followed a tortuous trail around the steep mountains flanking the Piaxtla River. Hauling costs ran to as much as \$200 a ton. Loads were drastically limited. Pipe and lumber had to be cut into ten-foot lengths. Heavy mining machinery had to be dismantled into pack-package weights.

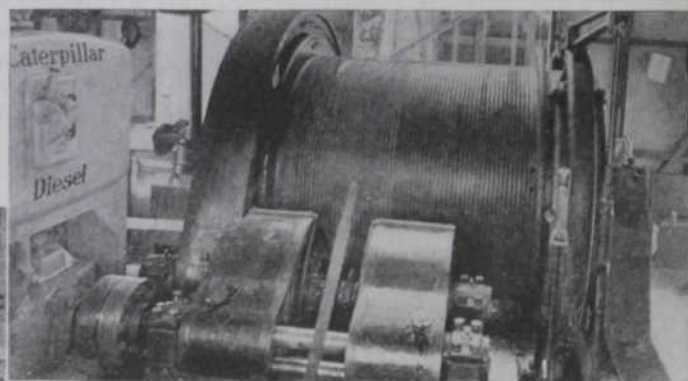
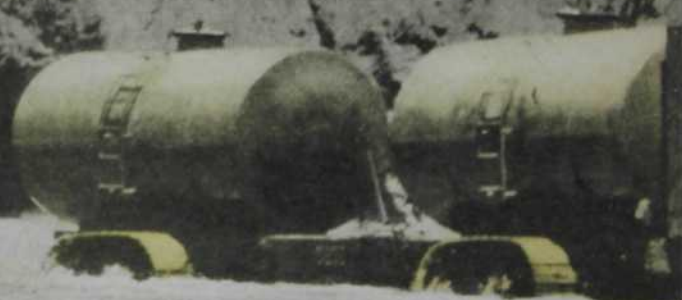
When an extra-large piece of mining machinery was purchased, even dismantling failed to bring some parts down to mule-pack weight. Beating the rainy season also confronted the hauling job.

For this and other complex problems a "Caterpillar" Diesel Tractor was purchased to haul Athey track-type wagons. In three trips the Tractor had paid for itself in savings over "mule power."

The round trip averages seven days, with the caravan on the move from 16 to 18 hours a day. The Tractor is equipped with lights for night work. The Tractor follows the bed of the Piaxtla River for the entire one hundred miles, frequently operating in as much as four feet of water. The route is extremely difficult. Yet the "Caterpillar" Diesel track-type Tractor and Athey track-type trailers crawl over boulders, plow through mud and fine river sand.

Frequently, when quicksands are encountered, the Tractor goes ahead to a firmer footing and pulls the load across by cable. After each rainy season has changed the river bed, the Tractor and bulldozer "feel out" a new trail. When flood waters make the route totally impassable, the machine is used to build roads and generally improving the mine property.

DARE NOT



HOISTING fluorspar from the mine of the Klondike Fluorspar Co. near Marion, Ky. An 80-hp. "Caterpillar" Diesel Engine supplies the hoisting power — at a "trifling" fuel cost.

TIMBERS for the Homestake Gold Mining Co., of Lead, S. D. A "Caterpillar" Diesel track-type Tractor on logging work — traveling about 30 miles a day on a 2-mile haul, at a power cost of about \$2.50 per day.

CATERPILLAR DIESEL



CATERPILLAR TRACTOR CO., PEORIA, ILL. . . . WORLD'S LARGEST MANUFACTURER OF DIESEL ENGINES,

DISAPPOINT

-NOR COST TOO MUCH



TRANSPORTING supplies over trackless areas — over mountains or deserts — through Tropics or Arctics — winter or summer. . . . Building roads into outpost locations to make neighbors out of remote settlements. . . . Driving mine, mill, refrigerating, oil-drilling and current-generating machinery. . . . Wherever there are loads to be hauled, earth to be moved, shafts to be turned, "Caterpillar" Diesel Power is conspicuous — for two major reasons: It is dependable. And it is economical. No other generally available type of power approaches

"Caterpillar" Diesel in low operating cost. Fuel savings of one-third to three-fourths over other forms of power for doing the same work are usual. Low up-keep, even after ten to fifteen thousand hours of service, is common.

Have you a power problem? Is cost-cutting, work-speeding or time-saving becoming more and more imperative — toward meeting price competition, successful contract bidding, maintaining profits? "Caterpillar" dealers have powerful facts-and-figures on the subject of power. Or, mail the coupon.

POWER

TRACK-TYPE TRACTORS AND ROAD MACHINERY

CATERPILLAR TRACTOR CO., DEPT. NB-9, PEORIA, ILL., U. S. A.

Gentlemen:

Please send me information on "Caterpillar"

☐ DIESEL ENGINES ☐ TRACTORS ☐ ROAD MACHINERY

I need power for _____

Name _____

Address _____



CHARLES R. GAY, President (right)
New York Stock Exchange

"Too many rules like too many laws may result in laying unnecessarily restrictive burdens on the many for the sake of disciplining the few. I am fearful that, in an effort to cure what may be termed sporadic evils, undue restraints are being placed upon normal, proper action, thus creating abnormal market conditions. . . . To the extent that excessive regulation stifles individual initiative, intimidates and confuses honest men so that they are unable to determine how to act when swift action is essential, or imposes undue credit restrictions, such regulation is not in the public interest."



W. C. MULLENDORE, Vice President
Southern California Edison Company

"The assumption of a Simon Legree, skin-flint attitude as representative of industrial managers is illustrative of the non-realistic attitude taken toward management. It is just as extreme and distorted as the charge that all labor organizations are directed by communists and racketeers. You and I know that there are too many narrow-minded 'jug-headed' employers and sub-bosses, but to predicate our policies of employer-employee relations and our concepts of what should be done to improve working conditions for the rank and file of American labor upon these exceptional members is to build an unreal policy which will make infinitely worse the situation about which we are supposed to be concerned."



BLACKSTONE STUDIOS

JOSEPH C. BEHAN, Vice President
Massachusetts Mutual Life Insurance Company

Mr. Behan was misquoted in the July issue. NATION'S BUSINESS is glad to print the following correction:

"During the depression and up to 1937, Life Insurance Companies distributed over \$18,000,000,000 among policyholders both living and dead as well as beneficiaries. This amount of money was greater than the various reliefs granted by both Federal and state governments and it had a great stabilizing influence on the situation. During 1936 Life Insurance Companies paid death claims on the lives of approximately 80,200 people under policies that were in force less than one year and the total amount of insurance paid or credited to beneficiaries approximated \$54,200,000."



ACME

E. ROLAND HARRIMAN, Chairman
Managing Committee, National Economy League

"A continuance of the present governmental policy will lead inevitably either to inflation or unbearable taxes and possibly both. Most of the \$20,000,000,000 of new debt acquired in seven deficit years has been absorbed by our banking system, thus furnishing the fuel for future inflation. So long as the budget remains unbalanced and the Treasury continues to borrow from the banks no constructive action can be taken to ward off inflation. . . . Moreover unless the present pace of federal spending is curtailed, a balanced budget will require annual revenues of at least \$9,000,000,000; this is 50 per cent in excess of revenues actually collected in 1920, the peak year."

The machinery you need helps pay for itself

when purchased under the C. I. T. Equipment Funding Plan

TO THE BUSINESS FIRM faced with the problem of replacing out-of-date machinery or interested in obtaining additional equipment, the various ways of financing the purchase deserve careful study.

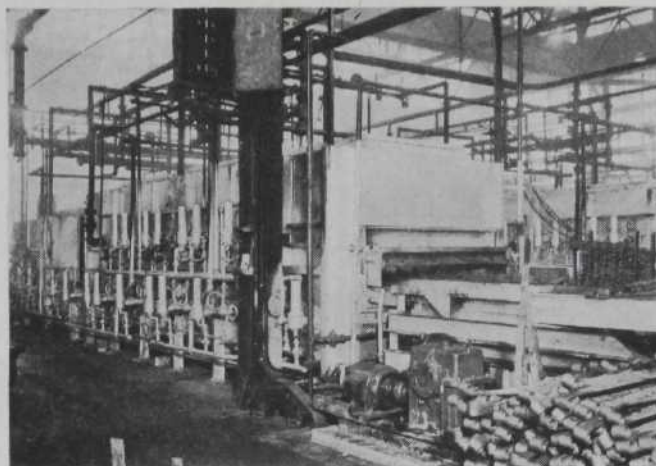
Under the C. I. T. Plan, the machinery or other equipment acquired makes operating economies possible immediately, while the machinery helps pay for itself. The plan provides for fixed amortization over a period of several years during the early earning life of the equipment.

The charge for financing the purchase of durable goods the C. I. T. way is the lowest generally available for such purposes. It is less than the total cost of floating most small capital issues, and the whole operation is much simpler.

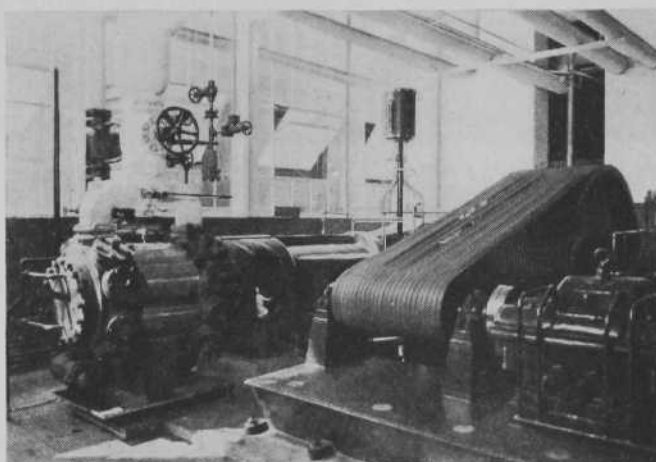
Let us tell you more about the C. I. T. Equipment Funding Plan before you conclude arrangements for the purchase of new equipment. Or, if you are a manufacturer of machinery or other equipment, it may be to your interest to suggest the C. I. T. Plan to your prospective customers.

. . .

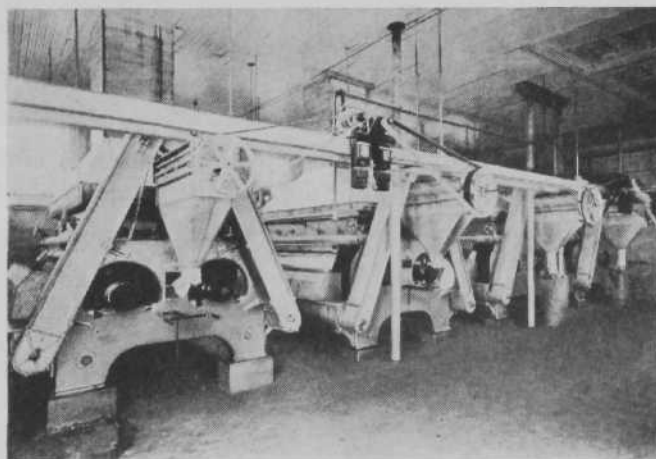
The booklet "Five Ways to Buy Equipment" describes this funding program and compares it with other available methods of financing equipment. A copy will be sent upon request.



A steel products company purchased these hardening and drawing furnaces on a fixed amortization plan through C. I. T.



A large middle-western brewing company purchased this compressor by using the C. I. T. Equipment Funding Plan. The charge for this service is the lowest generally available for similar financing.



C. I. T. has financed the purchase of dry milk machines similar to these shown here. Such equipment, under the C. I. T. Plan, helps to pay its purchase price from the day it is installed.



COMMERCIAL INVESTMENT TRUST INCORPORATED

A UNIT OF COMMERCIAL INVESTMENT TRUST CORPORATION

Combined capital and surplus over \$100,000,000 • One Park Avenue, New York City

In 1936, more than 20,000 purchasers in 150 different industries funded the purchase of durable goods through C. I. T.

A Five-year Plan for American

By KEN KIMBEL



Business men of Colquitt County, Ga., built a packing plant in the center of a cotton field, then encouraged farmers to raise livestock



New herds were started, poor herds were improved so that a high quality of beef is handled by the Moultrie plant in Colquitt County



The cattle shows give the farm boys a chance to demonstrate results of their livestock raising. The boys are guided by teachers

THE northern and mid-western livestock farmer has never been particularly concerned about the activities of boll weevils. The cattle and hog producers have concentrated on eliminating grasshoppers and other insects of the prairie states that harm their feed crops, without fear that the boll weevil would ever invade their territory.

But the boll weevil has devious ways of working. Because the boll weevil destroyed his cash crop in certain areas the cotton grower was forced to turn elsewhere. He learned that crop rotation and diversified farming could be practiced just as efficiently in the cotton area as in the corn and dairy states. He discovered that a garden could be made to supply a large part of his family's food. Gradually he has been improving the quantity and quality of his hogs, milk cows and beef cattle.

Today, because the boll weevil made him turn to other crops, the southern farmer is making his bid for the privilege of supplying a greater part of this country's food supply.

The construction of new packing plants and milk processing factories in the South is visible evidence that the livestock population of Dixie is on the march. The question puzzling other areas that have become accustomed to supplying the bulk of our meat and dairy products is, will the South continue to increase its diversified farming activities and if so, how will it affect other areas now largely dependent upon farm income?

Plan for diversified farming

THE story of Colquitt County, Ga., near the Florida line, shows the seriousness with which southerners have taken up diversified farming and demonstrates how the South may improve its agricultural possibilities.

In Colquitt County agriculture has run way ahead of industry—and industry caused this phenomenon.

The boll weevil made many southern counties turn from cotton, but Colquitt County "went the whole hog."

When the boll weevil pronounced the financial death sentence on the South in 1917, business men of Moultrie, county seat of Colquitt County, got together and went to work. The bankers held the farmers' notes for the cost of their crops; the business men had extended credit for other farm purchases. If they repeated this process for another year—on cotton—the same thing could happen again.

The farmers had already heard diversifi-

Farmers

cation preached so long that the Moultrie men had to do better than that. They did! They built a meat packing plant in the center of a cotton field, not so much to process meat as to give the farmers a great monument—concrete evidence of a daily cash market for livestock.

Many considered it the height of folly. What good was a packing plant in a cotton field? You couldn't make hams out of cotton bolls.

With the packing plant they instituted the world famous Colquitt County Five-Year Plan—no kin to the Russian variety. The plan sounds simple now but was revolutionary at that time.

Said the bankers to the farmer:

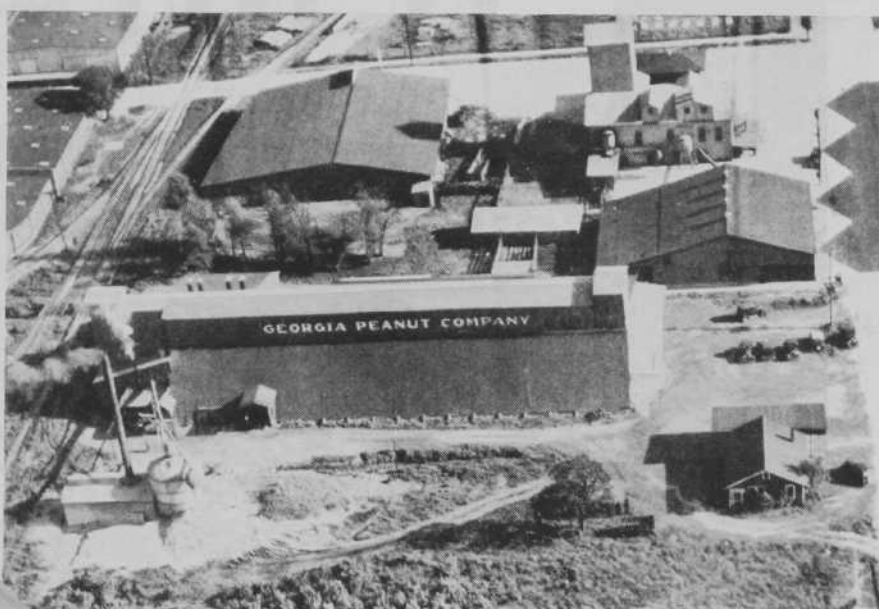
We will lend you money for next year, BUT with this money you must agree to buy a cow, sow, and chickens and plant a one-acre vegetable garden.

Now the characteristic cotton farmer in Georgia planted cotton and nothing else. He had no eggs, he had no hens, no hogs for home meat, not a sign of a vegetable and no cow. He planted cotton and rolled in "wealth" or suffered from hunger, depending on the success of his crop and the price

(Continued on page 126)



Moultrie's float at the Centennial Parade in Albany, a nearby town, dramatizes the value of farm diversification in Colquitt County



Peanuts aid diversification. Georgia produces many peanuts, a large part of which are sold at the shelling plant in Moultrie

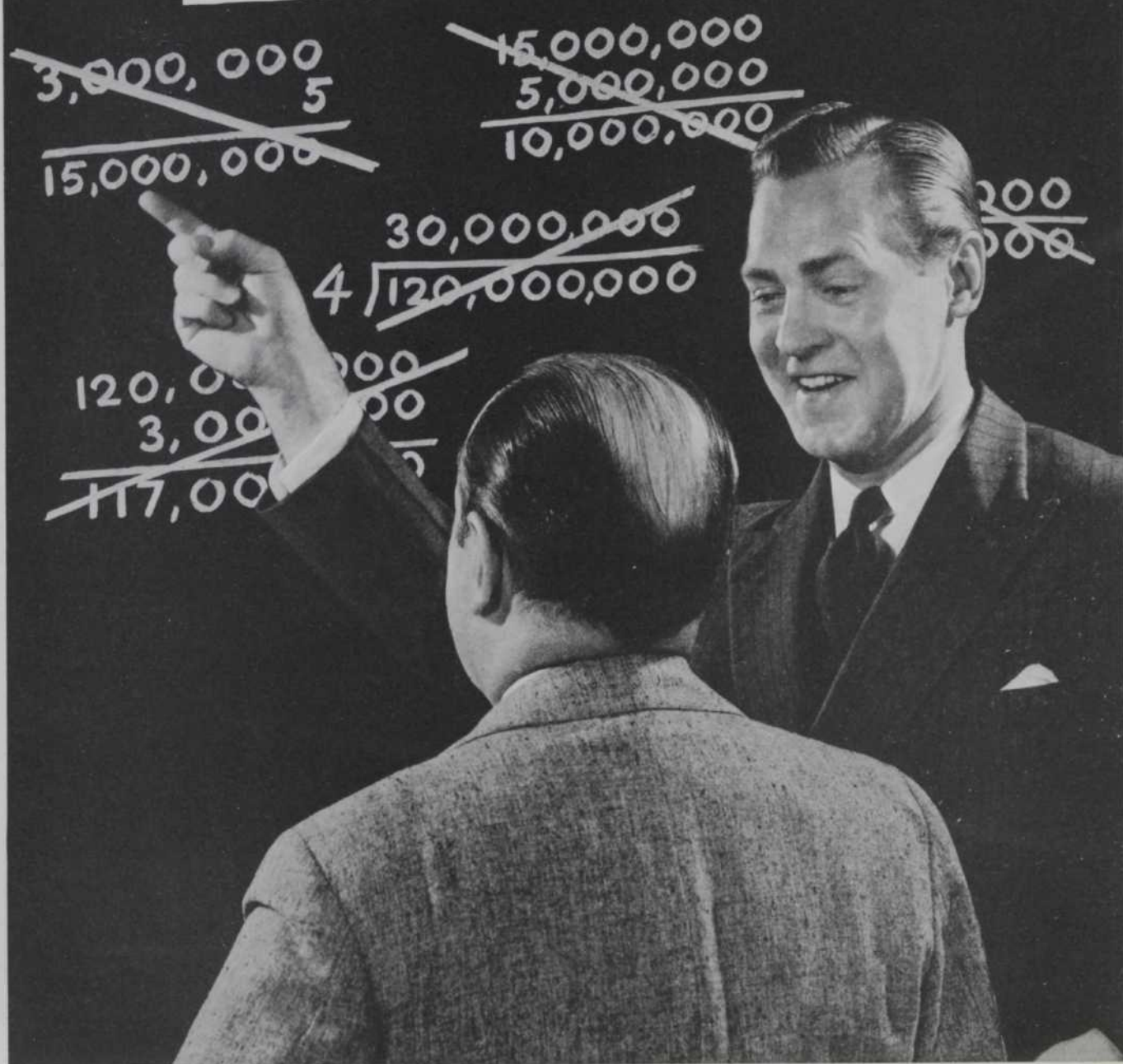


This Poland China sow was sold at auction for \$185. H. McDowell, manager, Swift & Co.; Wm. McPherson, manager, Pebble Hill Plantation, purchaser; John J. Cummings of Seminole Farms, breeder; and Col. J. N. Frank, auctioneer



This modernized and enlarged plant, contrasted with its first unit on facing page, shows the growth in Colquitt County's livestock

"3 MILLION?"



Ridiculous!

TWO sales managers of different companies were talking:

"You're missing a bet when you say that your advertising in *The Saturday Evening Post* reaches only three million circulation," said one.

"You told me yourself that your field research shows at least four or five *Post* readers per copy. Right?"

"That's true!"

"Then your average number of *Post* readers per issue is somewhere between twelve and fifteen million, isn't it?"

"And even that is a poor estimate of the *Post* audience. Why? Because there must be a few million occasional readers of the *Post*. And only a few of these would be in the count in any given week.

"By the time the year rolls around,

the *Post* must have talked more or less regularly to an audience of maybe twenty million people. Who knows?

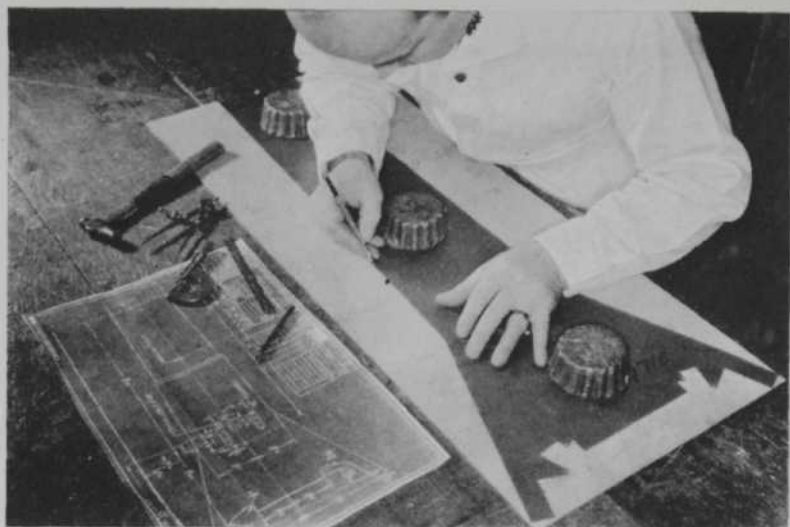
"That's why so many advertisers have built their success by consistently selling the many millions of people who read the *Post*. By doing a thorough advertising job in the *Post* market, they have made their names household words in cities and hamlets from coast to coast."

• • •

Who reads the Post?

Enough of the right people to make a success of any worthy product that will talk regularly to its twelve, fifteen or twenty million (write your own figure) audience of American men and women.

THE SATURDAY EVENING POST



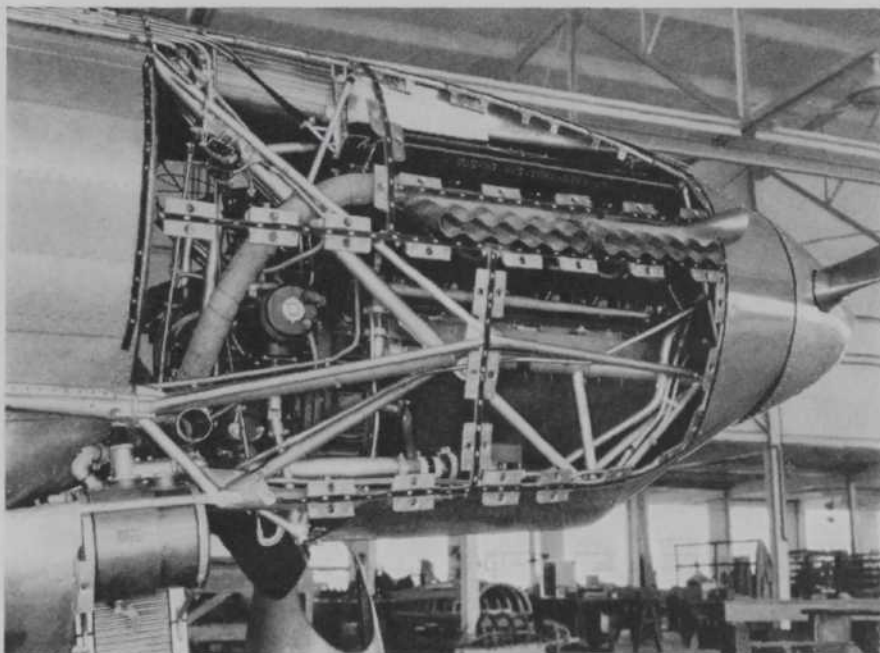
NORTHROP-BURNS-JACKSON

First step in training airplane builders is transferring details of plane parts to a template—the guide for subsequent operations



J. H. WASHBURN

A strange paradox is an airplane—a development of the machine age, yet largely a product of hand craftsmanship and skilled training



AMERICAN ENGRAVING & ELECTROTYPE CO.

Motor installation of V-12 liquid cooled engine showing intricate maze of members, all of which must be installed and adjusted by hand

Wing Builders



NORTHROP-BURNS-JACKSON

Student must have good, strong hands to start a mechanic's career in aircraft industry

WITH production of airplanes more than \$100,000,000 worth behind orders, the industry is severely handicapped by a shortage of skilled craftsmen. To prevent recurrence of a similar handicap several top men have established a vocational training school in Los Angeles, Calif., under the name of Aero Industries Technical Institute, Inc.

Management and operation of the new training school is supervised by Robert E. Gross, president of the Lockheed Aircraft Corp.; John K. Northrop, president of the Northrop Corp.; and C. A. Van Dusen, vice president of the Consolidated Aircraft Corp. The school represents an investment of \$500,000, is situated on a five-acre campus, consists of four modern buildings, and is close to transcontinental air line terminals and many of the world's largest airplane factories. About half of all planes in America are designed and produced in Southern California, officials say, within easy access of the school.

The student capacity is 500. Three complete courses are offered. All give similar instruction, but the method of obtaining this training is varied to meet the needs of the individual student. Each course includes two sections—"theory" and "practice." The three will be divided into day, night and combination courses, the latter for those students who can take their "theory" studies at home and "practical" courses later. The special drawings, sketches and pictures for the students contain data and information never before released by the industry for student instruction.

Courses of instruction cover all phases of training for aircraft factory employment such as jig work, welding, inspection, installation.

Equipment includes several new types of machines and devices found in few aircraft plants. The Institute's electrical spot welder, for example, is one of only three of its type now installed, neither of the other two being in schools. Other machinery includes such highly specialized factory equipment as drop hammers, heavy presses, and heat treating ovens.

MARCHANT ELIMINATES the "Hidden Figure" ghost of the keyboard factor



No "HIDDEN FIGURE" to cause expensive errors! No time wasted searching for unknown values! MARCHANT provides

plainly visible check
TRUE-FIGURE PROOF-DIALS
FOR ALL THREE FACTORS
including keyboard!

Other Exclusive Advantages

Error-proof *single key depression*
Automatic two-way carriage shift
Automatic add and subtract bars
No "pre-setting" or "pre-conditioning"!
No delays... *always ready!*

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All Electric... Full Automatic

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Oakland, California

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without cost or obligation.

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Business

Address.....

City.....

State.....

The Romans Had a Word for It

By J. GILBERT HILL

A play-by-play account of the game of taxation in a state where every group of voters won at least one victory which turned out, in the end, to be a defeat

AMERICAN business apparently needs a lesson in fascism.

Notice the word is the old Roman word—spelled with a small “f”—and not the name of an Italian political party.

The word American business men should consider means the almost mythological bundle of sticks, enclosing an ax, which once designated an official of the old Roman republic.

Its symbolism is that earnest lesson that one, lone, little demagogic politician can break, or chop, a whole bundle of sticks one at a time, but that the strongest individual will have a devil's own job breaking the whole bundle at once.

All of which leads up to the kick in the pants approximately 40 legislatures have dealt to business groups in sessions this year, because of a business house divided against itself.

We repeat, a kick in the pants has been dealt out to every business man, farmer or laborer—to every unpaid voter who helped elect a legislator—if a single tax has been increased or a political job added to the government structure no matter who pays that tax!

The statement bears repeating, because right now the legislative representatives, lobbyists, or whatever business, farm, or labor organizations choose to call them, are bragging about taxes they shifted to the other fellow or promising to do better next session by “whipping that ---- so and so Smith at the polls next election.”

The bragging and the promises are about evenly divided. A smart legislator never raises taxes on more than

half the electorate at any one session.

And the total of taxes does increase every year! Government gets more costly, more unwieldy, as new agencies are added and none ever eliminated, as new services are demanded by the misled, and paid for out of lower wages and higher prices to the man in the street, who believes he pays no taxes, or at least, pays fewer taxes than “big business,” or “the corporations.”

Forgetfulness helps politicians

SHORT human memory is the politician's greatest asset. Voters forget. Lobbyists forget. Business men forget. Farmers and laborers forget. The politician never quits.

The demand for more and more money by every government department is insatiable. Every legislative session sees a little more money, a few more jobs, and a little higher tax load—all results of political persistence.

And the citizen wonders just how and when it's done. Because their memories are short, our American voters, business men, laborers, professional men and farmers become prize boobs for the political game of “now you see it and now you don't.”

Let's go back four years in my own home state—only four years—and watch the game of dividing the house against itself.

Let's, for the purpose of simplifying it, divide the house up among farmers, merchants, oil men, and the consuming public. They were divided all right, although every division had but one desire, the best possible government at the lowest possible cost.

In the years immediately preceding the legislative session of 1933, the grand old game of tax shifting had brought about some basic changes.

This particular state government long had had a big income from a gross production tax upon oil for schools, corresponding to natural resources or mining and lumber levies



Every business man, farmer and laborer gets a figurative kick each time a tax is increased or a new political job created

SIGHTSEEING WITH BAKELITE

Building Industry

FROM foundations to roofs it is possible to construct better, more durable buildings through the use of various Bakelite Products. In some instances Bakelite Materials are used for their strength and durability; in others for their resistance to weathering and moisture; in others for their beauty of color and finish; and in electrical work for their splendid insulating properties.

Illustrated are some of their many applications in the home building branch of the industry only. The use of Bakelite Products in Office Building, Store, Hotel and Factory construction and equipment also is becoming increasingly common.

Architects, engineers, builders, decorators and building owners will find a study of the many applications of Bakelite Materials in the building industry both illuminating and profitable.



PLYWOODS FOR FOUNDATION FORMS

are bonded with a Bakelite Resin Glue which excludes moisture, makes the plies inseparable and the plywood sheet more resistant to bulging and warping.



SHINGLES FOR SIDING AND ROOFING

are now made by a Bakelite Process. These better shingles are called "cementop" and may be had in a permanent white and a range of appropriate colors and textured surfaces.



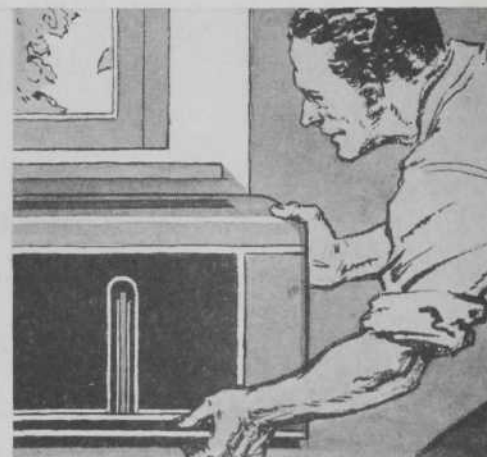
WALL PANELING AND CABINET TOPS

of Bakelite Laminated are resistant to the heat, moisture, grease and wear of kitchen service. Color and finish is lasting and the customary periodical painting is eliminated.



BATH ROOM FIXTURES with Bakelite Molded

knobs and handles have many advantages. They are strong, agreeable to handle and contrast effectively with the chromium plated metal parts. Walls are often panelled with Bakelite Laminated.



AIR CONDITIONING SYSTEMS make use

of Bakelite Materials. Valve Wheels and control parts are formed of Bakelite Molded, and cabinets and radiator enclosures of lustrous Bakelite Laminated.



ELECTRICAL WIRING DEVICES, switches,

outlets, flush plates, sockets and plugs are formed of Bakelite Molded, a material that retains its excellent insulating properties undiminished for an indefinite length of time.



PAINTS AND VARNISHES formulated with

Bakelite Synthetic Resins excel in toughness, wear and moisture resistance, and lustre. Paints, varnishes, enamels based on Bakelite Resins are made by leading manufacturers.

BAKELITE Materials are obtainable in many forms, molded, laminated, cast, varnish, enamels, cements, and others. They are now used in practically every industry, and for thousands of different products.

More than likely one or more of these materials could be advantageously used in your products, and our engineers will be glad to consult with you about it. Write for Booklets 1L, "Bakelite Laminated", 1M, "Bakelite Molded", 1S, "Bakelite Synthetic Resins for Paints and Varnishes" and other literature which describes these materials in detail.

Bakelite Corporation, 247 Park Avenue, New York
Bakelite Corp. of Canada, Ltd., 163 Dufferin Street, Toronto
West Coast: Electrical Specialty Co., Inc., 316 Eleventh Street
San Francisco, California

BAKELITE

in some other states. It had entered the income tax and inheritance tax fields. It had a strong gasoline tax, automobile licence tag tax, and other excise taxes.

Just at this time some enterprising representatives of property owners decided the state could get along forever on its income from these sources. It didn't need the *ad valorem* tax on property, too. And if it could, why should real estate owners pay such a tax?

The idea sounded great to the farmer and the small home owner. The state lost its power to levy *ad valorem* taxes through an amendment to the state Constitution voted by the people. *Ad valorem* taxes were left solely for support of the counties, cities, and schools.

Then came the low point of the depression in 1933, four years ago. The whole economic world was out of joint. Income, gasoline, oil and other excise taxes couldn't support state government even after every levy available had been raised, and a few more, like cigarette taxes, added.

So the legislature passed a one per cent sales tax. It was to last only for two years, during the emergency.

Remember, the farmers and small property owners had supported elimination of the *ad valorem* levy. But who buys groceries, shoes and clothing upon which the sales tax was levied? The merchants knew and the merchants howled. But the merchants lost a legislative session. The oil men

and industrialists were in high glee.

The merchants were roused because they had to pay the expenses of collecting the tax. Farmers' organizations and labor groups passed resolutions. They prepared to fight. And the oil men and the manufacturers leaned on their oars.

Both sides get new taxes

THE next legislative session was different. The governor wanted a three per cent sales tax. But when confronted with united opposition he quickly "compromised" with an extension of the one per cent tax for another two years. The merchants felt better because a system of collection through use of mills to divide pennies proved less costly to them.

But the temporary, emergency, sales tax was extended.

And lo, the oil men, the victors, the happy ones, caught a two per cent boost in their oil production levy!

Together, these two groups might have been able to make the Government live within its income, just as business firms, farmers, and laborers must do. But divided they had their hands full taking care of their own back yards. More money was provided for government.

Then came the drive for social security and old age pensions, between the two legislative sessions of 1935 and 1937. The people were sold on the idea they could have a pension for nothing.

"We'll raise the sales tax one per cent now," they were told, "and let the legislature find another source of revenue later by taxing the corporations and the profit hogs."

The people voted the tax, inescapable proof—to the politician—that the people didn't mind it. The people also set up an entirely new government structure, more jobs, more patronage for the legislators to such an extent that space for it had to be found outside the Capitol.

Another tax shift was made at the same time. The people voted for elimination of all *ad valorem* taxes upon homesteads. More money was eliminated from the treasuries of counties, cities, and schools. The maximum tax was assured for the city man renting his home, and the tenant farmer, because such property is not a homestead.

There was an immediate howl from cities, counties, and school boards for an increased gasoline tax, for authority to increase property valuations left for *ad valorem* levies, for short term loans to finance government—for anything to support the present governmental structure.

The merchants beat another hasty retreat. They thankfully accepted a two per cent sales tax for just another two years, and the legislature tried manfully to make it a permanent tax.

The oil men had a battle on their hands. They won the battle but they'll lose the war. The boost was only delayed a year or two. The trend con-



Business must join with labor, with agriculture, with voters generally to make government serve the people

ENRIGHT

"Unforeseen events . . .

need not
~~so~~

often change and shape the course of man's affairs"



"Dad says you'll take good care of it for me . . ."

MICKEY's newsboy earnings, the factory payroll, the savings of a community . . . all these the banker must "take good care of." Few men have so heavy a responsibility. His business judgment must be sound, his reputation above question. But he *can't* be a prophet. No more than any other man can he foretell the vagaries of the Unforeseen.

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Ever think of your timekeeper as a master in money management? Your tool clerk as a budgetary expert? Probably not. But stop and try to figure out how *you* would run a home on *their* paychecks. How *you* would feed a family, buy clothing for five, send children to school. You'd need a skill in budgeting many a treasurer would have trouble equalling. Circumstances have taught thousands of wage-workers to do wonders on their incomes.

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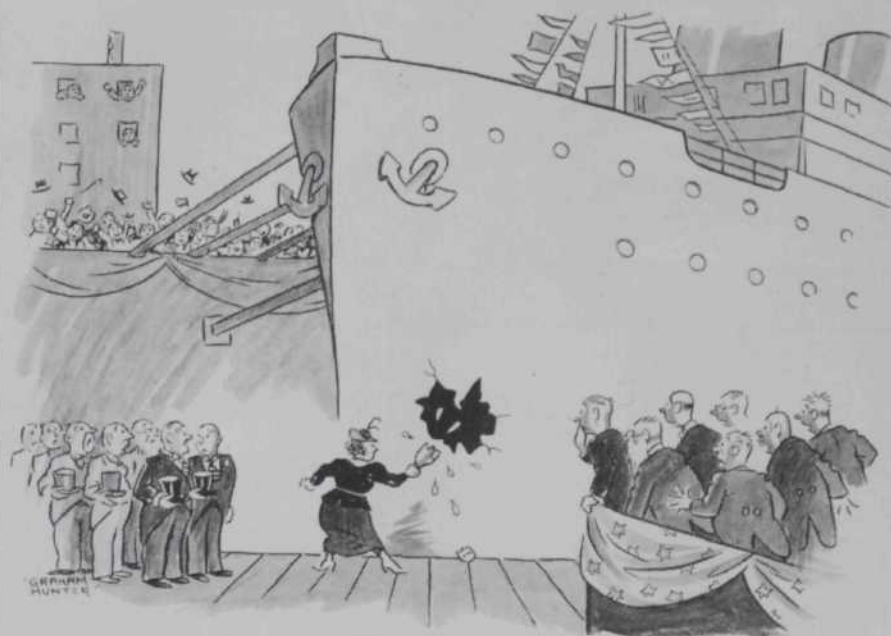
tinued upward. Sales tax, oil tax, another sales tax, increased property valuations to keep the present *ad valorem* income—all increases in four years, and yet all the voters have been fooled into believing they've won at least one victory.

All this is local news. But it can be duplicated in any state—the news of a house divided against itself taking a licking.

The tax ball is easy to follow, if memories were longer. It's a game of

There is just enough truth in the statement to make the unthinking titter and give the politician an excuse for raising more money. True, Americans don't stand still. They progress. They do want new and additional services from government.

But Americans, in their private business, wreck the obsolete when it is no longer useful. They do without a department to have one which they need more. Politicians were never known to wreck anything that meant



"I told you not to let my wife do it."

hot pepper, with a circle of taxpayers standing around the politician.

The politician tosses the ball to the farmer. He turns it loose to the merchant. The merchant shoots it to the oil man. The oil man hands it back to the merchant. Interspersing the big boys—the big groups—in their "play," are the smaller boys, the truck and bus operators, the barbers, the beauty shop operators, the lumbermen, and the garagemen.

The game means higher taxes, always higher, because the boys in the circle won't gang up on the politician and let him have it back hot every time he pitches it—instead of pitching it to each other.

The game of dividing up the "pressure groups," the derogatory name the politician delights to use to designate the boys who are paying for his bread and butter, takes some interesting angles.

For instance, in this session of the legislature, the spokesman for the administration complained bitterly every time he had the chance that "the public is demanding everything, but doesn't want to pay anything for it. They want schools, pensions, roads, and good government—and lower taxes."

a political job, except under pressure they can recognize—votes.

Back in 1933, when every business man, every farmer, every wage earner was looking for a spot to reduce his expenses, to cut corners, to make ends meet because of depressed business conditions, the politician took the opposite course of asking for, and getting, more money.

In my state, and in several other states, the Government resorted to the sales tax—a tax upon the bread and butter of men and women then struggling to get enough to eat—to support jobs, machinery, and expenses of government.

The voters in my state, at a special election, turned down flatly an appropriation of \$500,000 for support of a state board when it ran out of money between legislative sessions. The legislature is afraid to submit a bond issue to the vote of the people.

But, the legislature provided the money to pay deficiency warrants for workers for the defunct board, issued when the voters had decided the state didn't even need the board.

The business man, the farmer, the merchant—the voters—are to blame for increasing taxation, for the increasing cumbersomeness of govern-

ment. They can't escape it. When taxes are mentioned they always point to the wealth of the other fellow—help, instead of hinder, higher taxes all along.

"But," the short-sighted argue, "business isn't paying taxes. Business passes taxes on to the other fellow."

But who is the ultimate sufferer?

The business man must, to stay in business, pass to others as much of his tax as he can through higher prices and lower wages, or both.

Ah, hah, then the ultimate sufferer is the wage earner, the little fellow who doesn't mind taxes "because someone else always pays them." He's the unwitting tool of the politician. He's the one who votes by hordes and heads himself toward destruction. Why worry?

But is he?

The little fellow is the business man's market. The more the little fel-

low has to pay in taxes, the less he is going to buy in food, in clothing, in automobiles, in steel for the support of business.

Business can let the Government continue to grow until it falls of its own weight. Business can let government crush its customers—but business will be at the bottom of the heap.

Every citizen then, be he business man, laborer, farmer or professional man is, and must be, interested whether he knows it or not. But business is the first line of defense because business hands over the cash.

Business must join with labor, with agriculture, with voters generally, to make government serve the people instead of the people serving government.

The answer is in fascism, the lesson of the old Roman symbol of authority, of direct attack upon any problem with a united front.

BELLRINGERS

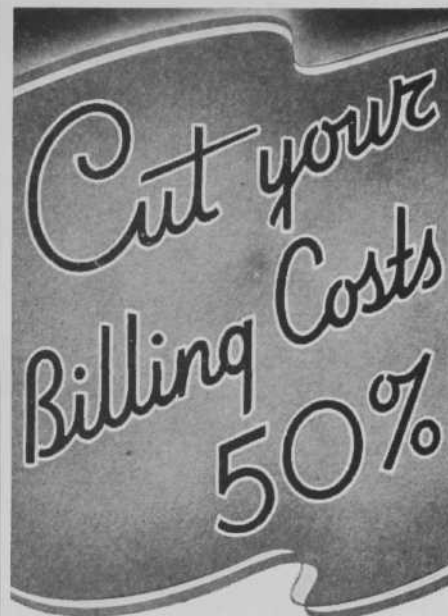


Baby Picture of the Comptometer

A QUEER looking old macaroni box containing a device made up of rubber bands, meat skewers, staples and wheels, was formally presented recently to Dr. Charles G. Abbot, Secretary of the Smithsonian Institution by Mrs. Raymond J. Koch, daughter of the late Dorr E. Felt, inventor.

On Thanksgiving Day, 1884,

Dorr E. Felt, then a young Chicago mechanic, started to work on this queer wooden model. The macaroni box served as the case and frame of the machine. Crude as it was, it embodied the underlying principles that characterize the present day Comptometer. Two years later, Felt finished a practical, key-driven, multiple order calculating machine.



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Speaking of Finance

By EDWARD H. COLLINS

Associate Financial Editor, the New York Herald-Tribune

IS THE stock market illiquid?

And if it is illiquid, is that fact the result of the regulatory activities of the Securities and Exchange Commission, or is it traceable to a combination of uncertainties ranging from high taxes at home to problems on the foreign horizon?

These questions were raised by Charles R. Gay, president of the New York Stock Exchange, in his annual report, recently issued; but they have by no means been settled. In fact, coupled with the sharp market break of September, they have revived a number of questions never quite settled in the public's mind, notably, what do we mean when we speak of a thin market? Does this necessarily mean an illiquid market? And is a market of substantial volume automatically a liquid market? There are many who believe with Mr. Gay that the market has dried up chiefly as a result of too much regulation; there are many others who believe that most of the present agitation comes from the floor traders who operate most successfully in a wide market and who feel that they are unduly restricted at present. These are the traders who pay no or nominal commissions, and are able to move about in the market freely, trading in eighths and quarters where the public may have to trade in quarters, halves, and even points.

It is of course plain that Mr. Gay himself, when he speaks of the "illiquidity" of the market, is not thinking in terms of the return of that sort of trading which comes under the head of "manipulation." There has been none, or practically none, of that since the enactment of the Securities and Exchange Act three years ago. Neither does he mean that equally vicious practice of a previous era, the purchase or sale of securities by directors of corporations with the idea of taking advantage of their inside information concerning the com-



panies' affairs. The publicity given such operations, coupled with the fact that the person indulging in such activities may be sued for any profits made within the ensuing six months, has all but stamped it out.

In fact many who disagree with much of what Mr. Gay had to say in his report contend—and with much force—that this part of the law is far too arbitrary. They point out that the best foundation for a sound market is provided by intelligent speculation with substantial financial resources behind it. As much buying power as is consonant with non-manipulative activities should be retained.

Volume is much lower

WHEN one considers the previous extent of these two types of stock exchange business, however, one is scarcely surprised to learn that volume of trading, at least, has shrunk considerably. The manipulation of stocks—"making a market" for them, as it was euphoniously called—was one of the most important sources of volume in the old days. It is quite possible that the bull market of two years' duration which recently terminated, served to cover up actual conditions in the markets, and that we are now for the first time seeing the changed conditions. On the other hand, the fact is—though little attention is paid to it—that turnover for

the first half of 1935 was less than 32,000,000, as compared with nearly 36,000,000 this year.

Mr. Gay in his annual report intimated that "other factors," such as the capital gains tax, were deterrents to the market, but he made it plain where he thought the bulk of the responsibility rested. Said he:

I believe that, to the extent that excessive regulation stifles individual initiative, intimidates and confuses honest men so that they are unable to determine how to act when swift action is called for, or imposes undue credit restrictions, such regulation is not in the public interest. . . .

This is a pretty serious indictment of the regulatory system, and unfortunately Mr. Gay did not go into specifications. His report did include a good deal of "supporting data," but these data, it is important to note, did not actually support his main thesis. It made a good case for the desirability of a stock market, and for a "liquid" stock market. But it failed to show the direct tie-in between the prevailing thin markets of recent months and Government regulation.

Perhaps Mr. Gay felt that, in laying his views before the members of the Exchange, he was discharging his responsibilities in full, and that no elaboration was necessary, since all understood what he had in mind. There are many reports today, however, which, strictly speaking, are private but which actually are eagerly read by the public. That finance-interested readers regard the annual report of the president of the country's largest stock exchange as "news" may be gathered from the fact that the New York Times devoted nearly a whole page to Mr. Gay's statement and the *Herald-Tribune* almost as much.

What Mr. Gay said of overregulation meant, apparently, many things to many people. I had a letter from one irate reader, for example, who protested against the investigation



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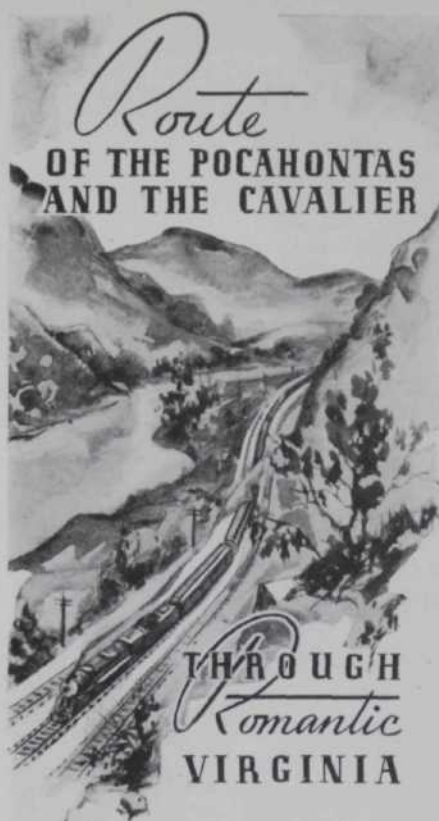
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of Technicolor by the Securities and Exchange Commission. He wrote in part:

If the S.E.C. troubled to go into the records of the company, or went to see any of the pictures, the rise is very apparent. . . . The S.E.C. does not go into the fact that Disney, Goldwyn and others are all going to do only color pictures in the future. . . .

This is a *reductio ad absurdum*, of course; and yet it is unfortunately true that far too many persons associated with operating in the stock market feel just like that. Everyone agrees, of course, that we want a "free market," but some people, as this letter suggests, like to put a pretty broad interpretation on the term "freedom." The S.E.C., it need scarcely be pointed out, is not interested in the merits, *per se*, of any individual stock. It is, on the other hand, interested in knowing, in the case of any unduly active stock, what is causing the activity.

Though the letter writer clearly misses the point of the S.E.C.'s quests for "pool" operations, he has, nevertheless, put his finger on one of the things that Mr. Gay would probably say came under the head of "over-regulation." That is the so-called "snooping" of the S.E.C. There is no question that this is an embarrassment and a nuisance to nearly every stock exchange house. And it probably will continue so until the law covering "manipulation" is made much more clear than it is today.

Margins may be too high

THE next most irksome regulation is not really the S.E.C.'s doing, but that of the Reserve Board. This is the high margin requirement. Today margins are still theoretically set by the exchanges themselves, since a house will not proceed against a delinquent customer until his margin is, in the house's estimation, dangerously low—which is in most cases around 30 per cent. But, when one's margin falls to 55 per cent of the market value of one's securities, one's account becomes restricted. No operation may be undertaken in a restricted account which is calculated to increase the debit balance.

The chief objection of Wall Street to the margin established by "Regulation T" is, of course, that it is too high. In London, it is pointed out, customers are accommodated by 100 per cent grants of credit; and the British banks call for a margin of five to 20 per cent, depending upon the character of the securities in the account. Another argument, which is less tenable, it seems to me, is that a restricted account encourages selling, despite the fact that it is usually a declining market which throws the ac-

count into the "restricted" area. The weakness of this argument is that the old margin system not only encouraged selling; it made it obligatory.

There is good reason for questioning the margin policy of the Reserve Board if you are going to have a margin market at all. There is not the slightest reason, for example, why the margin rate should not be more flexible than it is—as flexible, at least, as the rediscount rate. It is also a question whether the Reserve Board is not going out of its field when it interferes with the margin requirements.

It is pretty hard for the Reserve Board to justify its ultra conservatism in respect to margins. Because it has consistently permitted itself to be used as an agent of the Treasury. It is today merely an arm of the Treasury, its chief function being the support of the government bond market.

Another of the principal complaints of the market today is the rule making professional traders put up the same margins as the public. In no other securities markets, and in none of the commodity markets even in this country, are there government measures forcing dealers and brokers to margin their transactions at these levels. Professional trading, Wall Street brokers point out, is encouraged in most countries. This is by no means an open and shut question. The S.E.C. has published figures which seem to indicate that, though the floor trader may bring prices closer together, the tendency of his activities is to make swings in prices more pronounced.

But perhaps, from the standpoint of the brokers, what is worrying them most of all is the prospect of further regulation. It is not so much a question of where the regulatory authorities now stand, but what direction regulation may take. How far, for example, will the S.E.C. go in the matter of functional segregation, in margins, and in numerous other important matters?

One thing Mr. Gay's report did, if it did nothing more. It has launched a real discussion of some of the fundamental questions raised by the whole business of regulating the exchanges. Primary among these is: "What type of market do we want?"

Is it to be, as Mr. Landis has vaguely suggested, an "investors' market" or a market for both investors and speculators?

Second: "What do we mean by a liquid market?"

The S.E.C. has indicated that it will hold public hearing in the near future on certain aspects of regulation. It might be a good idea if they began with a few clear-cut definitions.

Toward Greater Civic Efficiency

COOPERATIVE action between citizens' groups and public officials can reduce local government expenditures. This is proved by a survey of state and local spending just completed by the Chamber of Commerce of the United States.

The survey disclosed that citizen groups are actively at work upon local fiscal problems in more than 500 communities.

Tax experts of the Chamber are cooperating closely with many communities where local chambers of commerce and other business groups are conducting economy activities.

From its survey, the Chamber made a detailed analysis of expenditures for operations, maintenance and interest in ten typical cities with a population of more than 100,000 each, where comparable data on expenditures could be obtained over the period 1924-35. In five of the cities, citizen groups have been continuously active upon tax questions. In the other five no such continuous program of tax-saving has been carried on.

Taxes can be held down

EXPENDITURES in the tax-active cities at no time rose much above the 1924 level and by 1935 had been reduced 11 per cent. In the other group, expenditures were 33 per cent higher in 1935 than in 1924. The detailed comparisons, the Chamber states, showed:

In 1924 the *per capita* expenditures for operations, maintenance and interest averaged \$38.00 for the tax-active group and \$43.42 for the inactive group. By 1929 expenditures of the tax-active group had increased to an average of \$42.39, as compared with \$55.11 for the inactive cities.

In the early years of the depression, expenditures of the tax-active cities were stabilized at about the 1929 figure. They began to decline in 1932, and by 1935 they had been reduced to \$33.63.

The expenditures of the inactive group continued to increase annually until 1932, when they amounted to \$62.33. They were reduced to \$58.64 in 1933 and to \$57.48 in 1934. In 1935 there was a slight increase to \$57.86.

"Debts with their attendant interest and retirement charges were a substantial factor," says the Chamber, "in the contrast between the expenditures of the active and inactive cities. Between 1929 and 1935 the inactive cities increased their debts by 21 per cent and the active cities reduced their indebtedness by 6.6 per cent."

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The Uninvited Guest

(Continued from page 59)

for money tonight. They'll realize that we can't afford that any longer. We'll just play for points."

"Play for what you like," put in the Uninvited Guest. "I've already pocketed just half the price of those cards you bought the other day."

"There now, dear, don't look so worried," said Mrs. American to her husband. "Wait till I put this butter in the refrigerator and I'll see you to the door."

"Take your time, Mrs. American!" called the Uninvited Guest from the front hall. "I'll wait. I'm used to it. You made me wait long enough when you took all those days to decide to buy that new electric refrigerator; but when you finally parted with that \$100 I got \$2.50—and I didn't have to work as hard as that salesman who convinced you that you should buy his refrigerator and not his competitor's."

"Goodbye, Average, don't worry today," said his wife as she handed him his 20 per cent taxed hat and kissed him.

The Uninvited Guest was waiting for him in the automobile.

"I've already collected exactly 345 taxes out of this car," he said cheerfully, "27 when you bought it and 117 on its upkeep, to say nothing of the 201 taxes on the oil and gas you use."

Meanwhile Mr. Average American drove the 20 miles to his job. He thought about his present plight and worried whether Junior's cold would be better tonight. He made a mental note to stop at the druggist's for that cough medicine the doctor had ordered.

The Uninvited Guest revealed that he was a mind reader by remarking:

"Sickness is just another chance for me to grow richer. When you buy the drugs and medicines the doctor



Sixty-three taxes are included in the price of the suit of clothes you buy

prescribes, one-third of their cost is for me."

"There's nothing I can do about that," Mr. American thought. "I can't stop and argue when sickness comes."

"Cheer up," said the Uninvited Guest cynically. "Here, have a cigarette."

"Say, get your hand out of my pocket!" shouted Mr. American. "Let my cigarettes alone."

"Your cigarettes after you pay me six cents, you mean," replied the Uninvited Guest coolly.

"I wish I could give up smoking," said Mr. American plaintively. "But gosh, it's the only enjoyment I just can't seem to do without. That's so little to ask of life and yet—"

Taxes soak everybody

"AND yet, you'll pay and pay and yell, 'Soak the Rich,' and not realize that I collect *three full months of your year's earnings*, or about 25 cents on every dollar you make. How about a match? Nice fancy book of matches you've got. Would it burn you up to know that I get two cents on a 1,000 plain matches, one-half of one per cent per 1,000 on paper matches, while on these fancy ones I collect five cents on every 1,000?"

Mr. American's job kept him too busy to think much about his visitor until the lunch hour. Then he remembered that his insurance premium was due. He hurried to his bank and into the safety deposit vault to look up the policy. When he sat down in a private booth to open his box his Uninvited Guest was opposite him.

"Think you can escape me here?" he said. "I get 50 cents out of the \$5 yearly rental on that safety deposit box and that insurance premium you're about to mail out will net me 20 per cent."

"Shut up!" said Mr. American. "I've got enough trouble with this insurance premium without your adding to it. I'll have to phone or telegraph the insurance company that I'm sending the money today or else they might add an interest charge."

"Well," grinned the Uninvited Guest. "I collect 10 cents, 15 cents or 20 cents if you telephone, five per cent of the message if you telegraph, 10 cents if you cable or radio."

Mr. American rushed back to his office to find that he had used up his allotted lunch hour.

"Here," said the Uninvited Guest. "Have some chewing gum and it'll make you forget you haven't eaten. I collect two per cent on pack."

It was a sad Mr. Average American who entered his home that evening. He looked about the rooms, and everything that his eyes lighted on—the silverware, linens, dishes, house-



• This man hogs the road—weaves in traffic—passes on hills and curves—every year he causes thousands of accidents . . . injures children . . . murders people.

He shouldn't be allowed to drive, but as long as he continues on the road there is one thing you can do to avoid him—drive the "NOT-OVER-50" way . . . at safe, sane speeds with your car always under control.

More than 125,000 motorists have joined the "NOT-OVER-50" Club. The red arrow on their speedometers reminds them to limit their top speed to 50 on highways—to slow down to safe speeds in towns and at danger points.

All you do to join the "NOT-OVER-50" Club is send the coupon for free emblems for your car and a membership card. There are no dues—no obligations.

Car Insurance at Lower Cost

You don't have to be a Lumbermens policyholder to join the "NOT-OVER-50" Club. If you wish, and if you qualify as a careful driver, Lumbermens will be glad to show you how more than a quarter of a million motorists *save with safety* on their automobile insurance through this company. Lumbermens selects policyholders carefully and prevents accidents through its comprehensive safety program. This results in fewer losses which, coupled with the company's economical management, makes possible the big cash dividends which are paid to policyholders. For further information about these savings check the coupon below.

LUMBERMENS MUTUAL CASUALTY COMPANY

Division of Kemper Insurance

Save with Safety in the "World's Greatest Automobile Mutual"

HOME OFFICE: MUTUAL INSURANCE BLDG., CHICAGO, U. S. A.

START
SAVING LIVES
Today

"NOT-OVER-50" CLUB, 4750 Sheridan Road, Chicago, Illinois

Please send me _____ safety packets described above. I understand that these insignia are free and that this places me under no obligation.

☐ Please show me how I can "Save With Safety" on automobile insurance.

N. B-10

Name _____

Address _____

City _____

State _____



Red Arrow Warning



Rear Window Insignia



Safe Driving Pledge

SAFETY EMBLEMS FREE

You do NOT have to be insured by Lumbermens to join the "NOT-OVER-50" Club, nor do you place yourself under any obligation. Fleet owners may have insignia for every car.

JOIN THE
NOT-OVER-50
CLUB



END THESE COSTLY ARGUMENTS

Those endless and futile arguments between credit and sales departments *cost money*. A persuasive sales manager overrides the credit manager's caution — and credit losses result. An adamant credit manager tightens the reins after a severe credit loss and "turns down" desirable business. Over and over it happens.

The wise executive eliminates these disagreements — and unnecessary losses — by insuring the company's sales. The sales department then concentrates its efforts on more sales and new customers and builds profitable business. The credit manager approves the accounts with confidence that his firm will suffer no unexpected credit losses on goods sold under the terms of the policy.

Credit Insurance protects policyholders on all insolvencies and covers the ubiquitous "77-B", as well. Settlements are prompt. Capital is kept turning. Profits are assured.

Credit Insurance is now written on Individual Debtors, Special Groups, Non-rated Debtors, etc., on terms surprisingly liberal. Ask any American Credit Indemnity Co. representative for full information.

AMERICAN CREDIT INDEMNITY CO.

of New York

Chamber of Commerce Building

J. F. McFadden, President

St. Louis, Mo.

Offices in all principal cities of United States and Canada

hold appliances, and furniture—bore the mark of the invisible tax collector. His wife and his son seemed to have no faces at all, just dollar signs. Suddenly he saw the broader picture.

"Why," he said, "I'm not the only one. Everybody is doing the same thing! We're all entertaining this Uninvited Guest and doing it without a complaint."

The Guest laughed hollowly.

"Getting smart, aren't you!" he said. "You thought that the Government's income came from the really high income brackets. Why, if the authorities confiscated the entire income of those earning more than \$1,000,000 a year, they could operate the government less than a week. Even if they confiscated the entire income of all those who earn more than \$5,000, it would run the government less than seven months. Since 89 per cent of the entire national income is paid to those who earn \$5,000 or less, when bigger taxes are needed, those in the lower brackets have to pay them! Only they don't know it."

Mr. American had an idea.

Tell people about taxes

"THEY ought to know it," he said. "If every article sold was marked to show the full amount of the tax paid I'll bet something would be done. If the tag on this \$35 suit had shown that \$6.86 of the price was taxes, I would have noticed it. The same thing is true of my \$25 overcoat. There should have been a huge tag showing that \$4.90 of the price represented taxes. If that were done on everything people buy they would soon realize they paid that tax and not swallow it like a sugar-coated pill."

"But," said the Uninvited Guest pitifully, "what would your government use for money if you succeeded in getting the people tax conscious and they began to squawk about paying these taxes?"

"Maybe the government would do like I had to do when I lost my good job and took another one. Maybe it would learn to live within its income. Anyway, it's worth trying. I'm going to start making my friends tax conscious, and write my representatives and senators in Washington, and do my part towards making people realize that even though they pay no income tax or real estate tax, they're paying more for taxes than they're paying for food or for rent, and twice as much as for clothing."

The Uninvited Guest was slinking out into the hallway. "Curses!" he hissed, "I'm not safe here any longer. The man is getting too wise. If he actually can make folks realize how much I've been costing them, things will begin to happen!"

The History of a Harvest

Bushel of wheat, bushel of rye,
All not ready, holler "I."

SO RUNS the rigamarole of an old game. No such grace is given to mills and elevators faced with a bumper grain crop. They have to be ready when the harvest is. From southwestern farms in July alone more than 100,000,000 bushels of wheat moved marketward. Of that vast cereal tide, 48,000,000 bushels in 30,000 freight cars converged on Kansas City. Significance of this receipt, as read by the *Northwestern Miller & American Baker*:

At the beginning of the month stocks of wheat in Kansas City public elevators were barely 1,250,000 bushels. At the month's end, these same elevators contained more than 25,000,000 bushels of wheat, all graded, bought and paid for at the highest cash price, stored and hedged against distribution through the remaining 11 months of the wheat year.

It is further worthy of note that, through this whole 30-day period, with markets flooded with new wheat and further subject to influence of abnormal weather upon maturing domestic spring and Canadian Northwest fields, the maximum price range for the whole period was barely ten cents a bushel—approximately ten to 12 per cent of the farm value of wheat. Yet every day the full terminal market value was reflected in the price paid to the grower, to within a maximum of half a cent per bushel.

A perfected market system

HERE, surely, is near-perfection in marketing machinery, made possible only by the availability of virtually unlimited storage and handling facilities, capital, credit, ability and experience, all supplied by private enterprise animated by the profit motive, which, under free marketing and open competition, exists only in company with the effective service motive.

Here, too, is the "ever normal" as contrasted with the recently devised "ever political" granary, with every penny of the world wheat value reflected in prices paid to growers, every bushel paid for in cash and carried on bank credit at rates lower than those paid on government bonds, every expense reduced to a minimum by free and open, even ruthless, competition.

Yet, it is this effective marketing mechanism that, a few years ago, was to be put out of business by government-directed "co-ops," that even now is being oppressed by wholly needless "policing," that is threatened with replacement—if the politicians have their way—by government loans, price fixing, surplus controls and, without doubt, other new schemes yet to be devised.

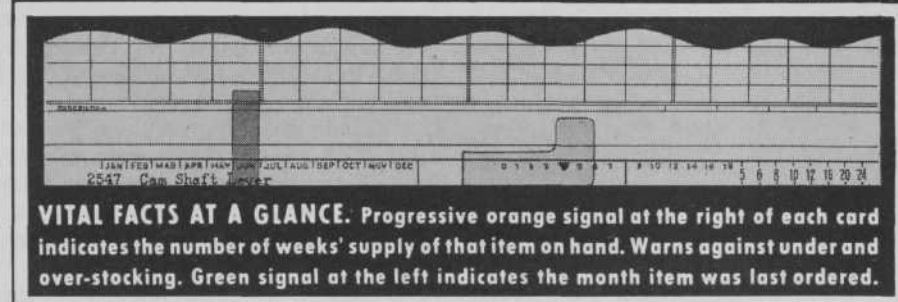
The grain trade carries on, handling the crops while those who would be its political "masters" play with their schemes and plans, each of which, if the experience of the past half dozen years counts for anything, is destined to fail in turn.

HOW SERVEL CONTROLS STOCK AND PRODUCTION



"Our Kardex Visible System of stock and production control has paid for itself many times over in the eight years we have used it"
says SERVEL, INC.

More than 10,000 items used in producing the Servel Electrolux Refrigerators are controlled by Kardex. Result: Over and under stocking are automatically reported, production line requirements are controlled; clerical cost lowered, turn-over stepped up and inventory reduced.



HOW THE "TELL-TALE EDGE" CUTS INVENTORY IN THE FACE OF RISING COSTS...

RISING costs complicate inventories, tie up useful capital. Kardex can help any business regardless of size by doing these six simple things:

- 1) Reduce inventory investment 25% to 50%;
- 2) Reduce expense of carrying charges which average more than 12%;
- 3) Reduce out-of-stock conditions and pre-

vent lost sales; 4) Reduce overstock and loss from markdowns; 5) Reduce clerical cost; 6) Force scientific control of production and inventories.

Find out how Kardex can save your business money. Call the Remington Rand man in your city today for complete facts, or mail coupon below.

Ok..it's from
Remington Rand

Remington Rand Inc., Dept. G-410
465 Washington Street, Buffalo, N. Y.

Without obligation, please send me complete details on Kardex Visible System.

Name.....

Address.....

City.....State.....

Dollars in the Underbrush

(Continued from page 52)

visiting hunters and anglers. This money is distributed as follows: \$382,460 for combination hunting and fishing licenses, \$53,264 for fishing licenses alone; \$1,203,170 for food and lodging; \$353,642 for sports equipment; \$279,307 for gas, oil and auto repairs; \$128,911 for the rental of motorboats; \$85,940 for rental of rowboats; and \$42,970 for guiding services.

Reports to the Land Planning Committee of the National Resources Board show that every elk a non-resident hunter shoots in Wyoming means a monetary return of \$400 to the people of that state. The value of every brown bear bagged in Alaska is estimated to be \$500 to the people of that territory. The residents of Utah obtain about \$2,000,000 a year from visiting hunters and anglers.

More than 5,000 farms and ranches are operated for recreational purposes within or near the national forests and much of the operators' livelihood is derived from hunting and fishing parties.

Business men have been counting these dollars spent by sportsmen and they have put the restoration and perpetuation of the game fields on a business basis.

Thus we find business leaders at the head of the American Wildlife Institute, a foundation devoting itself to the restoration and preservation of wild-life resources:

Frederic Ewing, vice president of Socony-Vacuum Oil Company, is chairman of the executive committee; F. B. Davis, Jr., president of United States Rubber Products, Inc., is vice chairman; T. E. Doremus, of E. I. du Pont de Nemours & Co., is treasurer. On the Board of Trustees are Walter P. Chrysler, chairman of the board of Chrysler Motor Corporation; Powel Crosley, Jr., president Crosley Radio Corporation; Frank W. Lovejoy, president Eastman Kodak Company; C. E. Wickman, president The Greyhound Corporation; Alvan Macauley, president Packard Motor Car Company; John L. Pratt, vice president General Motors Corporation; J. J. Ricks, president Union Carbide and Carbon Corporation; Leslie M. Stratton, president National Wholesale Hardware Association; General Robert E. Wood, president Sears-Roebuck Company; K. R. Kingsbury, president Standard Oil Company of California; Harry F. Harper, president Motor Wheel Corporation; A. Felix du Pont, vice president of E. I. du Pont de Nemours & Co.; Max C. Fleischman, financier; Robert H. Baker, president of Southern Hardware Jobbers' Association; Ralph Budd, president Burlington Railroad; W. P. Conway, president of Guaranty Trust Company of New York; Harvey C. Couch, president Arkansas Light and Power Company; and many others.

These men realize that the survival of wild life is an essential part of the complete recovery of prosperity—that the restoration of wild game to "shot out" territory means that the flow of the city sportsman's dollars into rural districts will be vastly increased.

In the meantime, even on that day 42 years ago when I listened to old Lem Whitworth, a poor little boy on a farm down in Amelia County, Va., had started something that was due to have a far-reaching effect in returning game birds to the stubble fields from which they had almost disappeared.

Experiment in quail raising

ONE day, when the late snows were melting under the spring sun, little Billy Coleman, son of a Confederate veteran, found a pair of quail in one of the box traps he had set on his father's farm. He took them home and put them in a pen he had built from some old chicken wire. That spring he trapped six pairs of quail, and he induced his father to add some brooding bantam hens to his flock. The next fall at the Virginia State Agricultural Fair one of the prize exhibits in the poultry division was a brood of 19 baby quail mothered by a bantam hen, exhibited by Billy Coleman.

A representative of the American Game Protection Association was at the Virginia State Agricultural Fair that fall in charge of a pheasant exhibit. He became so interested in Billy Coleman's quail that he wrote to John B. Burnham, president of the American Game Protection Association, about them. Successful quail propagation in captivity was then unknown. Mr. Burnham wrote to Billy Coleman and to Mack Hart, secretary of the newly organized Virginia Commission of Game and Inland Fisheries.

Then Billy began to have trouble with his quail. He found, as others had, that quail kept in confinement contracted diseases to which they were immune in a wild state. He learned that ground that had been used by chickens and even continued contact with their foster mother formed a dangerous element of their captivity. But Billy didn't get discouraged and quit as the others had.

He found out other things about quail in captivity. By introducing polygamy into his quail family and collecting the eggs once a week dur-

ing the laying season so the hens would not become broody and quit laying, he discovered that quail raised in captivity can be made more productive than in their natural state.

A wild quail hen seldom lays more than 18 or 20 eggs in a season. Billy Coleman's captive hens average 65 eggs a season.

All the time Mack Hart was keeping a watch on Billy Coleman and his quail and communicating the results to Mr. Burnham. They were particularly interested in an incubator and an artificial brooder Billy was experimenting with to keep the baby quail from contracting diseases through contact with chickens. Every attempt at quail propagation by means of incubators and artificial brooders had failed. Game experts said it couldn't be done.

Then Burnham told Edwin Thorne, of New York, about what Billy Coleman was doing. Mr. Thorne was treasurer of the Okeetee Club of Switzerland, S. C., an exclusive sportsmen's organization that numbers many prominent New Yorkers among its members. Mr. Thorne sent for Billy to take charge of game propagation on the Club's 66,000-acre preserve with the idea of having him raise quail to be liberated on the place to build up the rapidly diminishing supply. It was a pioneer effort.

Billy Coleman held that job for a number of years, during which he made further discoveries about quail. Then the severe winter of 1917-18, during which the fields of Virginia were covered with ice and snow for months, caused many thousands of Virginia quail to starve. So few quail were left the next year that the State Game Department sent an order to Mexico for 4,000 Mexican quail for restocking purposes. They failed to arrive.

Then Mack Hart thought of Billy Coleman. He consulted with Col. F. Nash Bilolsoly, of the Commission of Game and Inland Fisheries, with the result that the state of Virginia sent for Billy Coleman to come back home and establish the first state-owned farm for quail raising on the banks of the historic Chickahominy River.

That was in the fall of 1919. By 1925 Billy Coleman had supplanted all his bantam hens with incubators and electrically heated brooders of his own invention. That year he raised 3,000 quail to maturity. In 1926 he raised 4,000 birds. In 1928 he set 11,421 quail eggs in his incubators and hatched out 8,448 birds, or 74 per



SAFETY FIRST—
friendliness too!

HERE are plain facts which touch the lives of us all:

American railroad rates are the lowest in the world; American railroad service is the best.

But the continuance of this efficient, economical service is imperiled today by the threat of laws which would check progress.

One such measure is the bill now before Congress to limit the length of freight trains to seventy cars—a needless restriction that would add more than one hundred million dollars a year to the cost of transportation, but would add nothing to railroad revenues, service or safety.

The unjustified burden of this threatened legislation should not be imposed upon the commerce of the nation.

DO YOU KNOW

—that during recent years, while trains have increased in length and speed, railroads have made new fine records in the safety of passengers and employees?

—that the more trains run to handle a given amount of traffic, the greater is the risk of accidents?

—that the proposed law to limit the length of trains will increase the cost of handling freight more than 100 million dollars per year?

—that increased prices of materials, supplies and fuel since 1933 have added 250 million dollars to annual railroad costs?

**ASSOCIATION OF
AMERICAN RAILROADS**
WASHINGTON, D. C.



BE ECONOMWISE

After all is said and done... quality will always be one of the strongest selling arguments—especially in today's highly competitive markets. Gaylord Boxes, in many ways, have proved a vital help in breasting competition for scores of leading manufacturers.

Due to their famous Gaylord built-in "Margin of Safety," they have reduced shipping losses, damage claims and adjustments to a minimum. Due to their trim appearance, clean-cut printing and the fresh, unmarred "arrival" condition of their contents, they have proved remarkable ambassadors of good will... a valuable aid to increasing sales.

Thus Gaylord Boxes, though perhaps not always the lowest in price, have proved an outstandingly wise economy for hundreds of Gaylord clients. Made in both corrugated and solid fibre. Send today for particulars. No obligation. Our boxing craftsmen are at your service. Just phone or write our nearest office.



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cent—something that had been thought impossible.

For ten years Billy Coleman carried on as manager of the Virginia State Game Farm, then, in January 1929, Billy—now widely known to game conservationists as William B. Coleman—went into business for himself. He founded the White Oak Quail Farms along route U. S. 1 south of Richmond.

A good sale for quail

IN 1931 he sold 5,602 live quail to the New York State Department of Game for \$2.25 each, and the next year he sold 5,000 quail to the same customer at a new low price of \$2.00 a bird. Which means that, at the lowest ebb of the worst economic crisis the agricultural world has known, when few farmers could find a market for their product, Billy Coleman sold the product of his quail farm for \$22,000.

In 1933, Coleman started the breeding season with 221 hen quail. He raised 7,087 birds that year. In 1933,

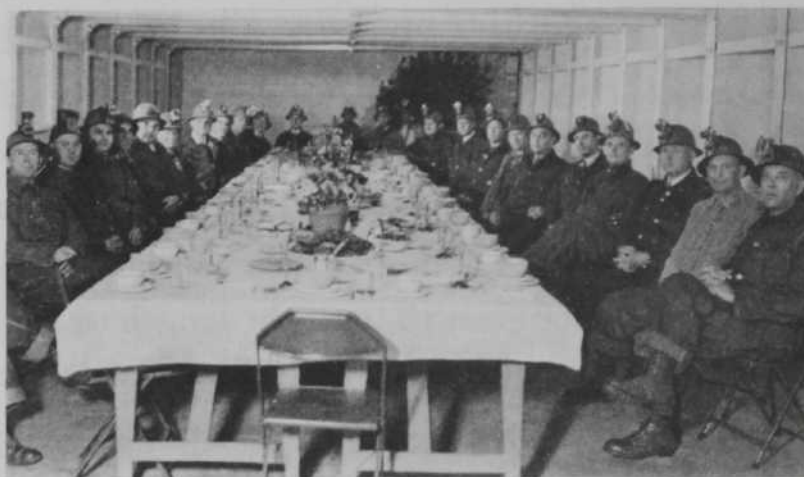
1934 and 1935 he raised a total of 33,374 quail, and, by generously giving the results of his experiments free to state game farms, had so firmly established the success of quail breeding in captivity that, in 1935, 17 states reported the operation of quail farms that raised 78,545 quail for restocking purposes.

Consider what that means toward restoring American game fields.

For working out the successful quantity production of quail by means of artificial incubation and brooding, Billy Coleman was awarded the gold medal of the Outdoor Life Prize Committee as the man in America who has contributed the most to successful game bird propagation.

By far the majority of those who go afield with dog and gun are "morning-to-night hunters"—those who do practically all their hunting near home. Because of this, a game bird capable of maintaining itself close to the home of the city sportsman had to be found. So America reached over to Europe and adopted

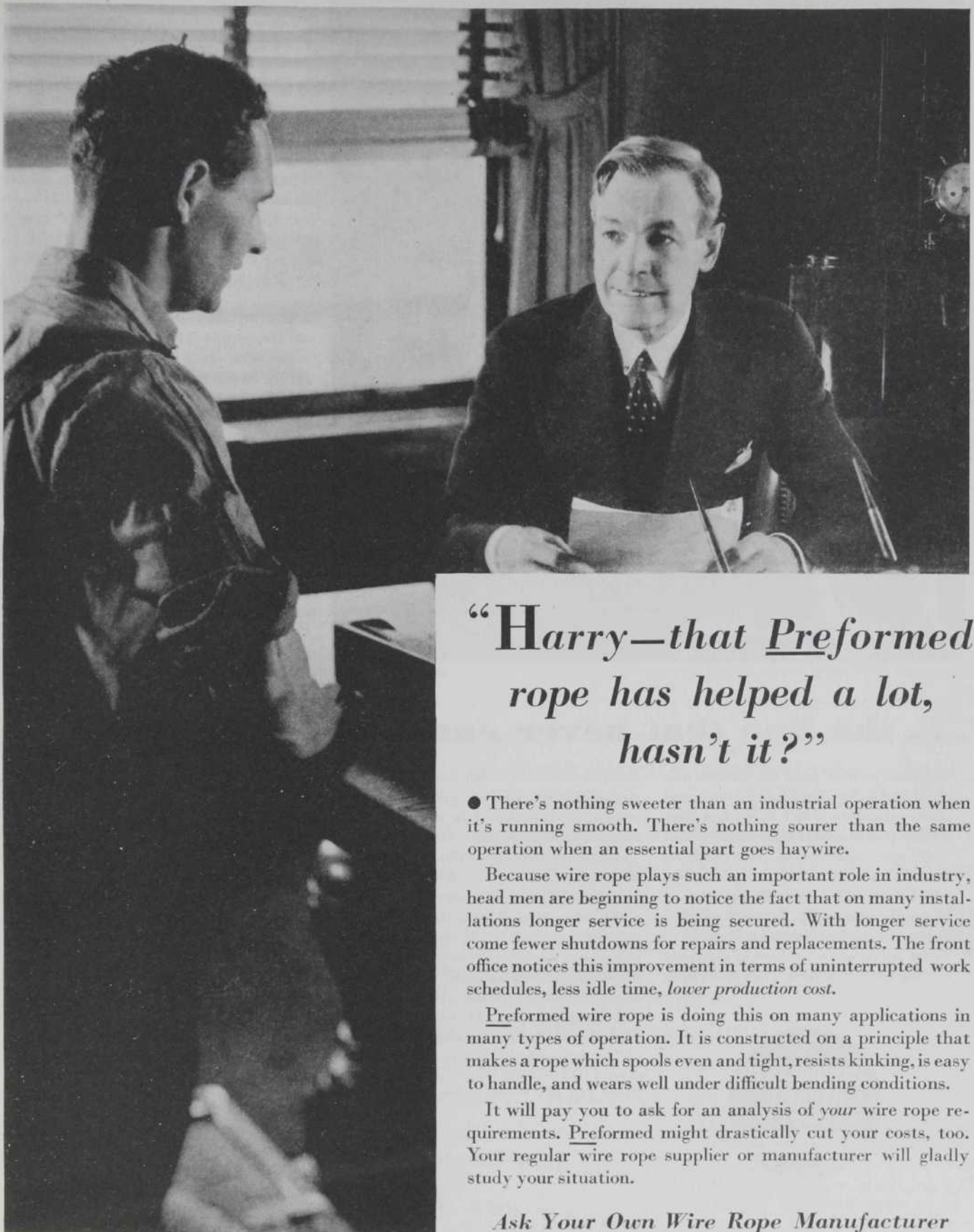
BELLRINGERS



Formal Dress for Underground Luncheon

HOLDING one of its periodic meetings recently in Duluth to review safety progress and to discuss new methods of safety practice, the Safety Committee of the United States Steel Corporation donned overalls, boots and steel helmets, descended 236 feet below the surface of Oliver's Spruce Mine at Eveleth, Minn., to be guests at a luncheon in an underground theater used primarily for safety meetings. Cut out of solid rock,

this room is approximately 17 x 51 x 8 ft. and was originally used to house pumping equipment. Steam heated and electrically lighted, it has a seating capacity of 220 for showing safety films on Company time to employees just before they go to work. First used for this purpose in 1925, the underground theater now has a kitchen and orchestra platform which makes it more suitable for banquets and safety meetings.



“Harry—that Preformed rope has helped a lot, hasn’t it?”

● There’s nothing sweeter than an industrial operation when it’s running smooth. There’s nothing sourer than the same operation when an essential part goes haywire.

Because wire rope plays such an important role in industry, head men are beginning to notice the fact that on many installations longer service is being secured. With longer service come fewer shutdowns for repairs and replacements. The front office notices this improvement in terms of uninterrupted work schedules, less idle time, *lower production cost*.

Preformed wire rope is doing this on many applications in many types of operation. It is constructed on a principle that makes a rope which spools even and tight, resists kinking, is easy to handle, and wears well under difficult bending conditions.

It will pay you to ask for an analysis of *your* wire rope requirements. Preformed might drastically cut your costs, too. Your regular wire rope supplier or manufacturer will gladly study your situation.

Ask Your Own Wire Rope Manufacturer

Preformed **WIRE ROPE**

GIVES GREATER DOLLAR VALUE ON MANY APPLICATIONS



... the line that never ends ...

See them as they pass: the widows who never had to face stark want; youngsters whose education didn't halt when their fathers passed away; men whose sunset years are comfortable and carefree; mothers who are giving their youngsters a real start in life—an endless procession of people who enjoy financial security because of the Northwestern Mutual... These are people who share in assets exceeding a billion dollars. They profit from

the wise counsel of Northwestern Mutual representatives, who are sound business men, specialists skilled in moulding insurance plans to fit individual needs... This is the endless line of those who know their company's enviable 80-year record... its steadily mounting strength... the ability of its management that offers life insurance at cost... It is an inspiring procession, this line that never ends. And it speaks to you a message of hearts at ease and minds at peace... a tribute to the Northwestern Mutual—strong, trusted, friendly—an unfailing assurance of "a safe tomorrow for you and yours."

Send the coupon for booklet entitled "Your Part of a Billion Dollar Estate."



A Billion Dollar Estate

The Northwestern Mutual Life Insurance Company
MILWAUKEE WISCONSIN

PAY _____ DOLLARS A MONTH FOR LIFE
TO THE ORDER OF MY WIFE
(OR A LIFETIME MONTHLY INCOME TO ME AT AGE 65)

My Name _____

Address _____

City _____

State _____

Age _____

PRESIDENT
TREASURER

SPECIMEN

NR 10-37

the ringneck pheasant which had not been native to this country, a bird that had been reared in captivity for centuries and had become especially adapted to civilized communities.

The importation of ringnecks is not new, but its wide use to replenish the supply of our vanishing game birds with one that will provide sport almost in the very backyards of our most thickly populated cities is a development of comparatively recent years.

Ringneck pheasants imported

IN 1790 Richard Bache, son-in-law of Benjamin Franklin, brought over ringnecks and "English" pheasants from England and introduced them on his private preserve near the present town of Beverly, N. J. But the first successful effort to establish them here as a game bird occurred in Oregon in 1881. These were birds that were brought in and released, no attempt being made to breed them in captivity. The initial attempt in this line—in fact, the first attempt at any sort of game bird breeding in this country—was made by Samuel Evans in 1893, in his own backyard at Oak Park, Ill.

Until a few years ago ringnecks were unknown in the East—today thousands of ringnecks are released each year.

In 1928, the Game Conservation Society founded the Game Conservation Institute among the foothills of the Musconetcong Mountains in New Jersey about one mile from the town of Clinton. Here students are given a two-year course in the practical work of raising game birds without cost of tuition, text books or school equipment.

In 1929 the students raised 10,000 ringneck pheasants and a similar number are raised and released each year to provide nearby sport for city gunners.

The state of Pennsylvania has effectively demonstrated what can be done in the matter of restoring wild game to "shot out" territory. Forty years ago wild turkeys were extinct in Pennsylvania. Then the game commission liberated foundation stock in the mountains of Center, Clinton, Lycoming and Tioga counties and prohibited the shooting of turkeys for five years. To perpetuate the source of supply, breeding stock was installed on state-owned game farms, and woods that had been cleared of all natural feed were planted in beech-nuts, wild grapes, wild cherry, acorn-bearing oaks and other trees and bushes that restored the woods as feeding grounds for the turkeys.

The result can be told in authentic

figures. In the brief open season of 1925, sportsmen shot 3,441 wild turkeys in Pennsylvania. In the open season of 1929 the bag was 3,834, and by 1935 the annual turkey toll had increased to 4,498.

During the laying season in the spring and early summer of 1935 the state-owned game farms in Pennsylvania produced 159,870 ringneck pheasant eggs, and, before the hatching season was half over, 58,847 ringneck pheasant chicks, 9,473 quail chicks, and 4,200 young wild turkeys had been placed in the brooder houses.

By 1931, deer had increased so rapidly in Pennsylvania that they were threatened with starvation. Female deer were so numerous that something had to be done to equalize the sex. So the game laws were amended to permit the killing of does for the season of 1931—and in the 13 shooting days of the open season that year 100,000 deer were shot in Pennsylvania.

The restoration of wild game to the woods and fields has become a practical business policy in which every channel of American trade will reap increased revenues. Old Lem Whitworth had it right:

"It air jes' like havin' money in the bank, son. If'n ya keep on takin' out 'ithout puttin' back you're a'mighty sartin to go bankrupt."

Specialized First Aid in Labor Ills

(Continued from page 20)

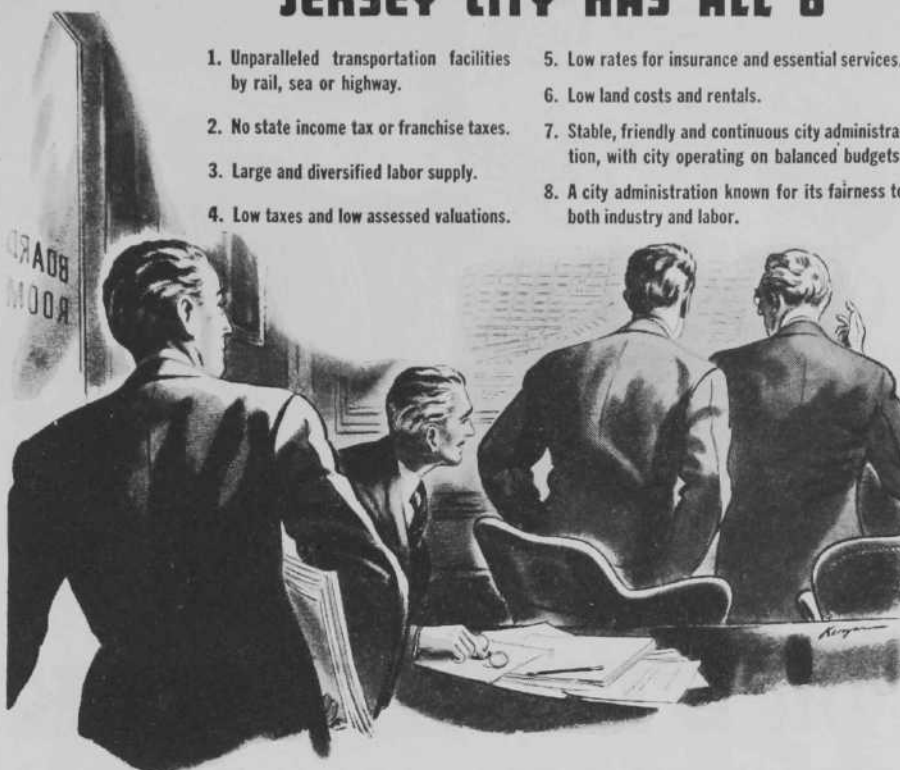
as possible. Then, taking up one after another the more controversial issues, he aids in working out solutions, making suggestions where and when they seem to be appropriate, submitting compromise proposals and, finally, where it appears impossible to bring the parties into agreement, recommending arbitration. Not infrequently, drawing on his experience in similar situations, he drafts a plan of settlement for submission to the parties for approval. Since it comes from a disinterested source it is often accepted and forms the basis for an adjustment of a difficult situation.

When the parties to a dispute accept arbitration it is not the policy, except under unusual circumstances, for the Commissioner to act as a member of the Arbitration Board set up, because he then necessarily becomes a part of any decision rendered, and this tends to militate against his usefulness in future disputes in the same industry or locality.

When a request for a representa-

"JERSEY CITY HAS ALL 8"

1. Unparalleled transportation facilities by rail, sea or highway.
2. No state income tax or franchise taxes.
3. Large and diversified labor supply.
4. Low taxes and low assessed valuations.
5. Low rates for insurance and essential services.
6. Low land costs and rentals.
7. Stable, friendly and continuous city administration, with city operating on balanced budgets.
8. A city administration known for its fairness to both industry and labor.



Jersey City offers American business and industry an unusual combination of advantages. Strategically located in the heart of the country's No. 1 market, it is conveniently linked with all markets by complete transportation facilities, whether shipping is done by sea, rail or highway. It has a sound efficient government, fair alike to both the working man and business. Labor is plentiful and content. Rates for essential services are low. Jersey City offers industry substantial savings.

A partial list of the many corporations with plants in Jersey City reads like a roll call of American business and includes such leading companies as Colgate-Palmolive-Peet, Joseph Dixon Crucible, Western Electric, Lambert Pharmacal, American Can, Continental Can, Kraft-Phenix Cheese, U. S. Gypsum, Westinghouse Electric Elevator, Air Reduction Sales, P. Lorillard, Mallinckrodt Chemical, and Standard Oil of New Jersey.

For specific information as to what Jersey City may mean to your business, write or wire Mayor Frank Hague, City Hall, Jersey City, N. J., for a copy of the booklet entitled, "Jersey City Has Everything for Industry."

JERSEY CITY has Everything FOR INDUSTRY





The **STURDY OAK** AND THE LOMBARDY POPLAR

Unless you know trees, you couldn't decide from their appearance whether an oak or a poplar would live the longer. Yet the oak inherits a tendency to outlive the poplar many times.

Wire ropes, too, are much alike in appearance. Their stamina or weakness is not apparent on the surface. Nor can it be definitely found by any known test. Actually it is inborn -- an intangible something that results from the experience and the ideals of the manufacturer.

"Flex-Set" Preformed Yellow Strand Wire Rope contains the heritage of 61 years' experience making nothing but high quality wire rope. The wire is drawn to our own exacting specifications. Then, by a new method of manufacture, wires and strands are shaped to the helical form they occupy permanently in the finished rope.

Valuable new properties result. The rope is remarkably limp and flexible; easy to handle; easy to install. More important still, is a great resistance to kinking, drum crushing, fatigue.

Those engaged in construction, road building, lumbering, mining, rotary drilling, plant operation, will find "Flex-Set" Preformed Yellow Strand wonderfully long lived -- wonderfully economical.

BRODERICK & BASCOM ROPE CO., St. Louis

Branches: New York, Chicago, Seattle, Portland, Houston. Factories: St. Louis, Seattle, Peoria.

Manufacturers of all grades and construction of wire rope, preformed and regular, for every purpose

"FLEX-SET" PREFORMED YELLOW STRAND

tive of the Service comes in, the Department is usually in a position to assign promptly the Commissioner best informed on the particular situation presented. Some members of the staff have naturally had greater experience in certain industries than in others. An effort is made, therefore, consistent with good public policy, to assign representatives specially qualified in each instance. While there is no cut and dried formula for the settlement of labor disputes the methods usually followed by this Service may be summarized in a general way as follows:

1. Through conciliation and mediation, by aiding the disputants to settle their differences through negotiations.
2. By acting as negotiator and holding separate conferences with the respective sides, thereby adjusting certain minor points in dispute, leaving the major differences for consideration at a joint conference.
3. By the Commissioner drawing on his knowledge of trade agreements in the same industry, developing a plan and using the same joint conference as a basis for discussion between the employer and employee.
4. Through the Commissioner drafting a plan of settlement independently and submitting it to the parties in dispute as a recommendation.
5. By devising methods of arbitration through disinterested parties or through parties selected by the disputants and a referee selected from outside the industry or named by the Secretary of Labor.

Conciliators know the problems

THE Department representatives are frequently required to make independent investigations covering the matters in dispute, so that they may be in a position to advise employers and employees intelligently with reference to facts and conditions pertinent to the situation involved. Being in constant touch with employers and employees in the various industries, these representatives usually have first-hand knowledge of the existing wage and working conditions and an acquaintance with the policies and practices prevailing. As a result of this knowledge, when they are called on for advice they are able to avert what might otherwise become serious controversies.

The Conciliation Service has no law to enforce. It neither has nor desires any arbitrary authority. Its representatives possess no police powers. They do not enter a dispute with a club in their hands. There are no "musts" and "can'ts" in their vocabulary. The work is purely mediatorial.

The Service works on the theory that a dispute settled by the parties themselves at the conference table is more enduring and leaves less bitterness and rancor than one settled by authority of law or force. It recognizes that there are two sides to every

question; that the employer, with his investment and his responsibility to the stockholders and the general public, has certain rights that must be respected; that the employee is a necessary part of the industry and likewise possesses rights to be protected and obligations to be lived up to; that the true advancement of industry as a whole must take into consideration the rights and obligations of both as well as a duty and a responsibility to the general public.

Whenever a representative of this Service has succeeded in preventing a break in the friendly relations between employer and employee or has assisted in restoring those relations where they have been interrupted he feels that he has performed a worth while public service. This is the object of the Conciliation Service. Its one and only aim and function is to promote industrial peace and though it has done but little self-advertising since its establishment, it nevertheless takes pride in its accomplishments during the 24 years of its existence.

In this period it has intervened, in most cases at the request of either labor or management, in some 17,000 disputes involving, directly and indirectly, approximately 16,000,000 workers and billions of dollars of invested capital. In the overwhelming majority of these cases it has been successful and the files of the Department of Labor contain hundreds of letters from both labor and management as well as officials of states and municipalities attesting to the good work performed.

Through this agency, the Federal Government offers a service without cost, seeking to bring harmony out of discord and to supplant strikes and lockouts with peace obtained at the conference table. Commissioners of conciliation are its industrial peace makers. Their goal is the establishment of cooperation and good will between management and men.

More and more this Service is being called upon to intervene before negotiations are broken off. It encourages and invites employers and employees alike to avail themselves of its services. It particularly emphasizes the importance of including in agreements provisions for utilizing the Service before negotiations are interrupted or work has stopped. From an experience extending over many years, covering almost every industry and every State, the District of Columbia, and the territories of Alaska and Hawaii, it is believed that this agency of the federal Government may prove of even greater value to industry and labor in the future than it has in the past in maintaining peace in the industrial world.



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Labor's Divided Mind

(Continued from page 22)

even recognize that the chiseler, or the employer who is able to adjust his costs to the necessities of unfavorable business conditions, is an important source of employment when jobs are otherwise hard or impossible to get. They have seen the strongest and oldest unions in the building, mining, and clothing industries wink at wage-cuts and deterioration in working conditions, when conditions compelled them to do so.

They have learned also that unions, as political organizations, must support substantial bureaucracies whose ways of acting are often indistinguishable from those of the officialdoms of large corporations. Favoritism and arbitrary acts are as common to the members of this type of bureaucracy as of others. The variety of disciplines apparently required to preserve unions as going concerns in this country have often proved irksome to their members. It is, hence, not uncommon to find a substantial number of men in every large industrial center who at one time or another in the past have tried union membership and given it up in return for greater freedom of action.

In the current situation the methods of intimidation and violence frequently employed in organizing campaigns are generally resented by the men who work even when they deem it wise to join the organization. Membership so gained has in the past proved transitory, except where men are tied to the union by the closed shop and the check-off, or, in other words, where the union has won the willing or unwilling support of the employer and membership is virtually compulsory.

The common run of men in factories, mines, and railroads resent the use of spies, thugs, and strike-breakers by the employer, but they equally resent intimidation and violence as they are practised by unions. There are, to be sure, adventurous spirits in every shop who enjoy warfare and thrive on it. They are not many and they are rarely a majority. But they have the power that any organized

and prepared minority can use to whip an unorganized and inarticulate majority into line. In the years since 1933 this type of working man has played a dominant rôle in our labor situation, as he always does in times of stress and conflict.

It was in fact the use by the C.I.O. of the sit-down strike and its growing belligerency of manner that in the main account for the unexpected revival of the A. F. of L. in the past year. Only recently astute students of labor were freely predicting the early disintegration of the Federation. But, with the adoption of extreme methods of pressure by the C.I.O., a strong reaction set in and the A. F. of L. profited from the excesses of its rival. That this set-back was felt by the C.I.O. is shown by the virtual abandonment, temporarily at least, of the sit-down strike.

There is plenty of evidence of the skepticism with which much of labor views the current revival of unionism. In spite of the open and vigorous sanction by Government of particular labor organizations and the acts of public administrative agencies which virtually convert them into organizing agencies, the task of unionization remains difficult, the non-union area continues large and

predominant, and company unions, vestiges of a past era, show a stubborn inclination to survive wherever they rest on secure foundations.

Even toward the prevailing conflict between the A. F. of L. and the C.I.O., labor moves swiftly from craft to industrial unions and back again, and from one affiliation to the other, depending on the worker's sense of the direction of prevailing political winds and the union tactics.

The swiftness of these changes is revealed in the goings on among maritime workers, where old unions disintegrate, new ones are formed, and election results are challenged as soon as the ballots are counted. Thus in a recent case involving the choice of bargaining representatives by marine engineers, the National Labor Relations Board writes:

In a case like this where, prior to the Board's certification of the results of an election, there is an apparent change in the wishes of a majority of the men, we believe that another election should be held.

Such changes of mind may be expected to become more rather than less frequent.

For the fact of the matter is that traditional trade unionism has always been a fluctuating and minority movement wherever men have been free to join unions or not as they pleased. It has everywhere expanded and contracted with changing conditions and in particular with the alternation of prosperity and depression. Universal and stable unionism, which is apparently the goal of leaders of the American labor movement, is a most modern development in the history of organized labor. It exists only in countries with authoritarian political and economic systems, unless recent developments in France can be considered an exception to this rule. But in those countries membership in unions is compulsory, unions are creatures of the State, and the whole of economic life is subjected to thoroughgoing control. Under such arrangements, it is conceivable that the more than 30,000,000 wage-earners and salaried employees in the United States can be organized and kept in unions.



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3. "All I needed was 30,000 florins. And, just think, it was right about that time I was painting two of my masterpieces, treasures that now you couldn't buy from the Metropolitan at any price: the *Old Woman Cutting Her Nails* and the *Portrait of Hendrickje Stoffels*.



4. "I can't tell you how glad I am to see my paintings at the Metropolitan safe under a roof that will be tight against the weather for centuries. Monel, you see, doesn't buckle badly from the heat, nor wear out from ice and snow. A metallurgist, who tested it for this job, learned that there were types of Monel stronger than the steel used for armor! (See my *Man with a Gorget*.)



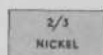
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sion like a stubborn Dutchman. So Monel lasts much longer than the metals we used for roofing public buildings in the Netherlands. Even your sour, smoke-laden modern air doesn't destroy it."

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Business Men Don't Understand

(Continued from page 36)

many thousands of human beings with whom I have had dealings in the past 20 years, no one has suffered because of my rise to affluence. I can say to you honestly, as father to son, that there is nothing on my conscience and there need be nothing on yours. You will not be as well off as I am, but you will be wealthy by inheritance. The probability is that you will not do anything to increase your income, so that your son, if you have one, will be a poor man again. His son may start the cycle upward again."

"This is human waste," Thomas replied. "The state should protect my son against the unfairness of society."

"But you just objected to such activities by the state. You spoke of that with contempt as Fascism."

"I object to the state functioning in the interest of the capitalist class. It is when the state functions in the interest of the working class that a fair and just society comes into existence."

"I suppose you call that Communism?" Paul queried.

Socialism and Communism

"NOT necessarily. Socialism is a better term," Thomas replied. "Government ownership of the means of production and distribution; that is Socialism. Communism goes a step further. It creates a governing class, the proletariat, the working class, the farmer and the laborer—and it governs in their interest. Under Socialism, democracy is possible; under Communism, the government consists of the dictatorship of the proletariat. Socialism might, and I believe will, be achieved by democratic action; Communism can only come by revolution."

"And may I ask," Paul questioned, "whether you are a Socialist or a Communist?"

"I am a Socialist," Thomas replied proudly. "I am opposed to the horrors of revolution and I hate dictatorships of any kind. The Russian dictatorship is working out as badly as the German and Italian dictatorships."

"If you're just a Socialist, why are you tied up with this crowd of crazy Communists?"

"Oh! Father, when will you keep up to date?" Thomas was quite exasperated by his father's ignorance. "Don't you understand that we have

a united front to combat the Fascists? Socialists, Communists, Social Reformers—we have united against the enemy."

"But suppose you defeat the enemy and get into power, what then?" "What?"

"Well, here you are, men of varying political faith and varying economic faiths. Suppose you, as part of a United Front, seize the power in this country. Suppose you elect a President and a Congress, won't you then have to fight out this question of your differences of opinion?"

Thomas replied: "Well, yes. That came up in Russia between the Bolsheviks and the Mensheviks and the other parties."

Paul: "And the Bolsheviks won."

Thomas: "They did in Russia. That does not mean that the Communists would win here."

Paul: "Why not? Is it not true that the United Front is a ruse for the Communists to use you middle-of-the-road folks to bring on their revolution?"

Thomas: "These are men of high ideals who serve the working class."

Paul: "How can you say that they serve the working class, when they constantly deprive men of the right to work?"

Thomas: "There you go, using that shop-worn argument, the right to work. What you really mean is the right to work at the starvation wages you want to pay them."

Paul: "But I do not pay starvation wages. I pay the highest wages paid anywhere on this earth for comparable work. And our workers live on the highest standard of living, as you well know."

"Now, let me tell you something, my son."

"What you do not realize is that the finest manifestation not of Socialism but of socialization is right here in your own country. Wealth widely diffused. The ownership of property widely held. High wages for short hours of work. Democracy still functioning. Equality of opportunity—still available."

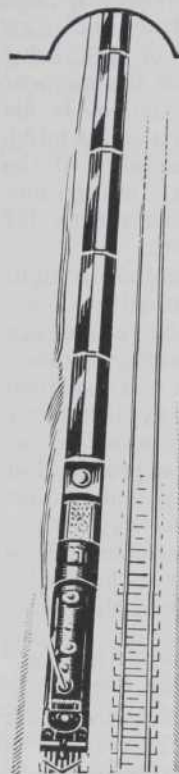
"I do not say that we have perfection. Not at all. Even in my own plant, inequalities in wages, for instance, constantly appear each time we adopt a new process. And that is true of the whole country."

"But we can achieve more, I am convinced, in the direction of socialization within the margins of our own system than you can by strikes, class war and revolutions."

"That's what's wrong with you, Dad. You're a conservative," was all that Thomas would say before he left his father to read Snodgrass' book on "Social Factors in the Downfall of Capitalism."



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As Drama Sees the Business Man

(Continued from page 32)

has some sixth sense which is fair license for all its extravagant oddness. They knew a common denominator when they saw one, even if they were not altogether sure what it was.

But between these dissimilar novelities, and the old pre-war citizen who had a desk and his name on a glass door, there was still another. This gentleman provided the richest humor and the slyest mockery. He was our butter and egg man, and I mourn him, because he was an innocent cluck, who stumbled upon riches, and who spent his money freely and foolishly because he was, I suppose, unable to think of anything else to do with it. He was the perfect target for ridicule, and the drama let him have it. His birth and christening were altogether worthy of his career in the world, and as a type he was forever stamped by a woman who saw practically everybody in her time, and knew most of them for what they were.

It is not an ordinary coincidence that Mr. Winchell's "Whoopie" and Texas Guinan's "Butter and Egg Man" were products of the same cockeyed era. That was the moment when a man with new money in his jeans, and nothing much on his mind, wended his way inescapably to the place where nature, in a malign moment, had provided the means for him to demonstrate both.

To such men the prohibition night club was virtually a substitute for a family, and, when the butter and egg man dawned on Broadway's vision, Broadway knew that it had the latest model sucker. Broadway has never been in doubt on such occasions, or mistaken an answer to prayer. For all its garish stupidity and blatant ignorance, it has a canny way with it.

There was a play celebrating its newest victim by name, "The Butter and Egg Man." There was the heroic sex sap in a contemporary portrait called "Gentlemen Prefer Blondes." There was a play called "The Ladder" which represented, in many ways, the cruellest frustration of business ideals, which belonged in more ways than one, to the glad era of promiscuous spending.

For the theater found that the freshly heeled lads could be lured into its prettiest trickeries without much more assurance than a yokel would have had at a shell-game. Their money flowed into the theater in what seemed to be inexhaustible streams, and no one minded where it came from as long as it could be counted

and stacked. In a shambles of idiotic production, Broadway celebrated its new money-bags and tossed the coin around as if it were confetti which, as a matter of fact, it turned out to be.

No theater in the world has ever equalled the boom years on Broadway either in the quantity of production or the general asininity of 80 per cent of the stuff produced. But the butter was turning rancid; the eggs were losing their schoolgirl complexion. There was a certain Thursday in the Autumn of 1929. . . .

Amid the strident reproaches of the great collapse could be heard, from the drama, some new remarks about the business man. It had been indulgent or humorous for the most part, in the past, had even viewed the business woman with amiable pride in "Our Mrs. MacChesney" but the new tone was unmistakable, and critical. The stage decided to take a good strong look and the result was a totally new conception of the business man.

Strong pictures of business

IT IS not exactly a coherent picture, for people and playwrights still disagree about business men, and even about the market, but it is a group of pictures suggesting, at least, that the theater is trying at last to get the matter straight.

From the most unlikely quarter came the first appraisal in the form of a salute from Eugene O'Neill to Marco Polo, in "Marco Millions." O'Neill's hero, patterned after the modern business man, was the first great travelling salesman, and as the author said, his play was an attempt to render poetic justice "to one long famous as a traveler, unjustly world-renowned as a liar, but sadly unrecognized by posterity in his true eminence as a man and a citizen—Marco Polo of Venice."

Has not Marco's home town lately set into its ancient pavement beside the campanile, the cogged symbol of Polo's successors in trade, the Rotarians? It has, I have seen it, and quite a sight it is, too.

A more suave and urbane member of the first flight dramatists then turned his witty gaze upon the subject and, in "Meteor," S. N. Behrman gave us a full length portrait of a megalomaniac who dominated Wall Street because he had some idiotic faith in his own clairvoyance. It is no secret that the original sitter for the portrait was a theatrical manager

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convinced of his own sublime powers, but it remained as true of the Bourse as it was of the Rialto.

Then Channing Pollock took on his best revivalist manner and in "Mr. Moneybags" demonstrated to those willing to listen to a withered platitude that all is not gold that glitters.

By that sorry time, the younger and sharper tongues were in the ascendant in the theater and the business man was promptly and thoroughly taken for his inevitable ride. The liberal and radical elements seemed eager to hold him responsible, single handed, for all the ills of the world, from a tottering budget to vest pocket golf. They gave him the works. The Group Theater obliged with "1931" and "Big Night," Archibald MacLeish tossed "Panic," a poetic tragedy, to the footlights, and the Communist boys, forging brickbats in Fourteenth Street, found in the business man, and his big brother, the capitalist, the symbol of all the dire evils of the world. Only in the revivals of such foolish old melodrama as "The Drunkard" could you

find such grotesque exaggeration of human character as you find, strutting the boards, and stroking the black moustachios, of the radical drama. The business men, the factory owner, the employer of labor were inevitably and invariably a sort of super-Legree, snarling at the noble and downtrodden workman, and kicking him, at times, in the slats.

An unsettled and unsettling Europe aroused, by its clank of show-off sabers, the fears of a country too recently smitten with the follies of warfare to want another, and so the drama turned not only to business but to the war business in particular. With a tardy scorn it vented its anger on the gentlemen who have blood for sale, and ready made battlefronts (fresh on delivery) at the back-door of every chancellery.

There had been two earlier, but isolated, sketches on the same virulent lines—"Spread Eagle," in which an oil magnate bought a handsome, swivel-action diplomatic crisis in Mexico, and "Marchands de Gloire," Pagnol's furious attack from the

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their East Pittsburgh plant five times a day. J. H. Hartman, manager of the company's employees' restaurants, who designed the equipment, states that by eating at odd periods, even as much as five times a day, fatigue is avoided and cheerful dispositions maintained.

French angle. There have been heavier and more recent plays of the same tone and tendency. "Ten Million Ghosts" made rather dull mockery of the munitions overlords, but, in "Idiot's Delight," Robert E. Sherwood drew a portrait of a big powder and shot man that was at once ruthless, human, and credible.

In most of these, it is obvious, the theater is discussing business men, but it is not the business man who is easily recognizable as the fellow down the street. They are all pretty special, with chromium pipe furniture, inter-office phones and all the other gadgets considered necessary for making two dollars grow where one grew before. The smaller fry, the so-called backbone of the country, are seldom visible in such careful detail, but there are glimpses of him.

There was Mr. Cohan's overripe sketch of a peaceful business man in "Fulton of Oak Falls," an endearing codger, full of wise saws and modern instances. There was even a play that went so far as to suggest that the small business man might save the country and it made a stirring thesis, if not a very stirring drama. "Tide Rising" showed a small town druggist finally taking a hand in the wrangling of capital and labor and, with his simple common sense, middle-class viewpoint, rebelling against being trampled by both sides. It's a good idea, but a good idea, unhappily, is not always a successful play.

More politics than business

THOUGH America was explored and developed by business men, the saga of its settlers is not one that fascinated the stage. Its political figures have not been quite so neglected, and maybe the attention has been no compliment. There was, to be sure, a play with vague hints of Mr. Rockefeller in it, and there was the West Coast narrative of "Gold Eagle Guy."

Doubtless the business men have enough to worry them without bothering about the drama, but badgered from all sides as they are, some of them must envy the beautiful leisure achieved by Grandpa in "You Can't Take It With You." They must envy his leisure and his philosophy. After years of business he went up in the elevator to his office one morning, turned around, and came down again. He never went back. It's a nice trick if you can do it. My one doubt about the play is what Grandpa's family lived on. Somehow people still expect money in exchange for commodities and I'm afraid in a cruel world Grandpa would be nourished on thin air. Unless, of course, he could get a rich business man to endow him.

What your Secretary says about you



"I wish my boss could see himself as I see him. Routine's getting him down. He's so busy doing unimportant 'musts' that he hasn't much time for the really important 'maybes' that mean extra business. He doesn't get away from the office as much as he should—and that means he's often fagged instead of fresh..."

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till it's time to take a sleeper to wherever he's going, she doesn't have to be there. He can let the Ediphone tell her the next morning. An Ediphone would make my boss's job and my job easier...give him a chance to see those important customers. It would give him time to be a real executive and me to be a real assistant."

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We Take Our Pen in Hand

WE again serve as Letter Writer Plenipotentiary for our busy readers

OUR proposal last month to act as Letter Writer Plenipotentiary and Extraordinary for those of our readers who feel that a letter ought to be written brings a response that should be as gratifying to Postmaster General Farley as it is to us. Already we see signs of a diminishing postal deficit. As for us, the symptom of writer's cramp holds no terrors. We have had too many pains in the neck to be disturbed by a little thing like that. So, to the matters in hand about which letters should be written.

Make wars conform to our neutrality

FROM a reader comes a suggestion for a letter to Senator Nye. He is confused over the application of our neutrality law, but believes, with the Senator's passion for peace, he can do something about it. It is suggested that something like the following would result in legislation calculated to meet all contingencies:

Dear SENATOR NYE:

I read in the papers where a ship, government owned, left Baltimore a few days ago, loaded with bombing planes and munitions for China. Under existing conditions that is legitimate. Japan and China have not declared war, therefore the United States is not supposed to have official knowledge that there is war. As there is war, actually, suppose Japan denies the United States the right to deliver munitions of war to an adversary to be used against her? Would that be an unfriendly act against the United States, with possibilities of involving us in war with Japan?

It seems to me you should amend the neutrality act to give the United States the right to declare war between two other nations. It might be better still to amend the act to permit the United States to compel nations to declare war against each other. Penalty for refusing to comply with our demands would be for the United States to declare war on one or both nations. Since our statesmen were able to frame such an excellent neutrality law, its benefits should be extended to require all wars to conform to it.

Right of profiteers to declare war

WAR and rumors of war are in the air. Another reader recalls Senator Vandenberg's speech on "taking the profits out of war," about which he had heard something before. But he is a little doubtful about "the profit motive" being the inspiration of wars.

He would have us write the Senator, asking him to clear up a few points, after this fashion:

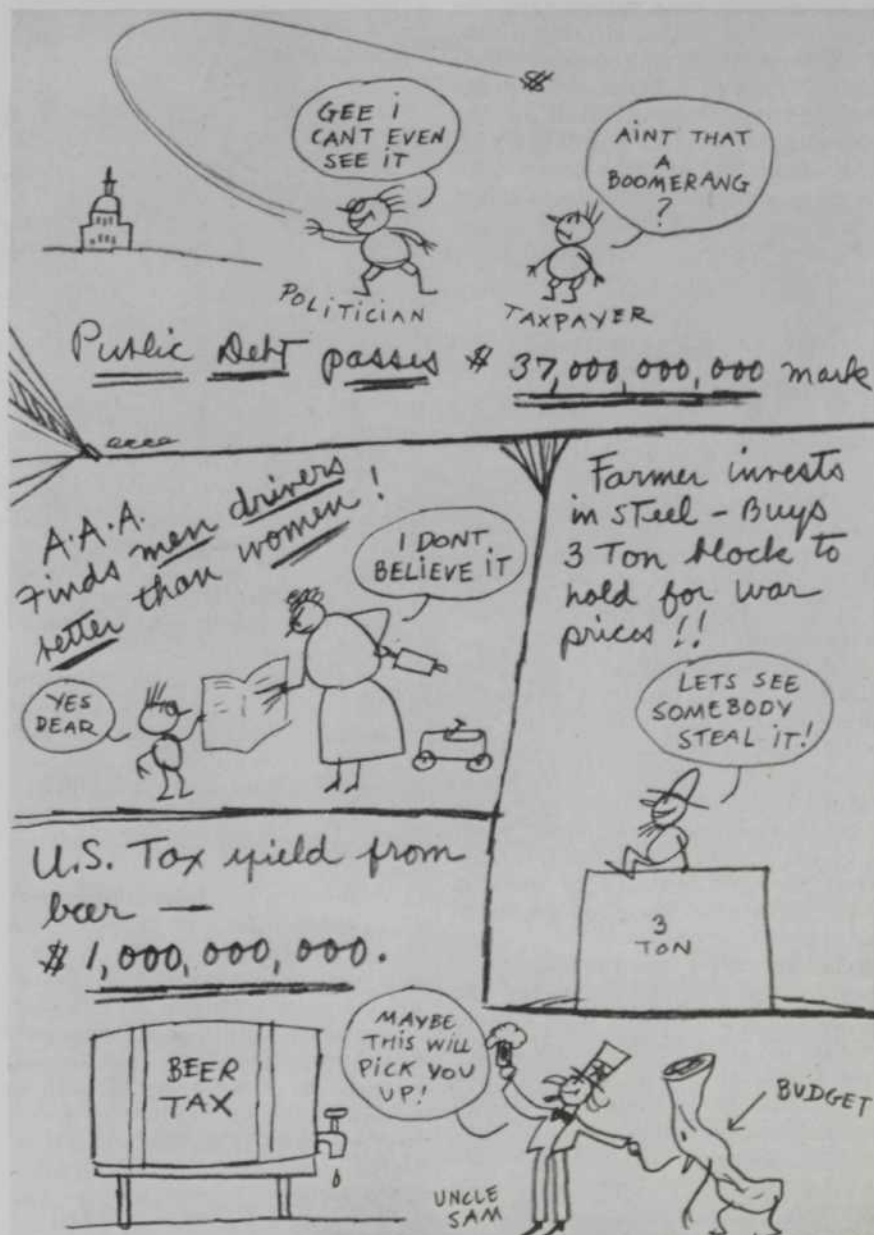
Dear SENATOR VANDENBERG:

As one interested in peace I read with interest the speech in which you said the way to permanent peace was to take the profits out of war. I believe both sides to the conflict in Spain would resent the

charge that the profiteers are at the bottom of it. From what I have read, I believe the politicians of not less than half a dozen countries, not including the politicians in Spain, had a hand in starting it and are keeping it going.

When I read that the Japanese Government called for a united nation for defense against China, I recalled that the Japanese politicians had gotten the finances of the Government in such

From a Business Man's Scratch Pad . . . No. 18



It isn't unconstitutional . . . but it does seem to be unusual for Court Reporters to use any typewriter except the L C SMITH!

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L C SMITHS used . . .	248
All other makes . . .	34
Total . . .	282

In New York, you may recall, Court Reporters also prefer L C SMITHS, by a score of 194 to 42. All figures from actual count, June, 1937.



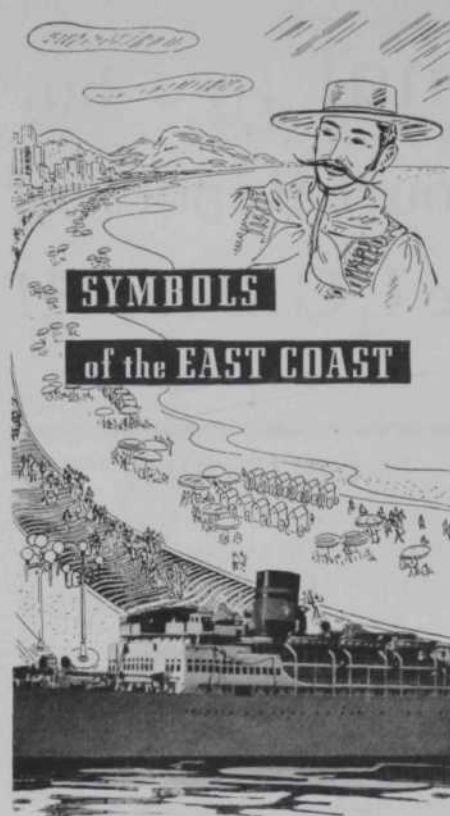
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shape that their only salvation was to divert attention from internal troubles.

Thinking perhaps you were talking about the "profiteers" in the United States involving the country in war, I got down my old History of the United States and turned to the Constitution. It says the Congress has the power "to declare war." But it is an old history. Would you mind telling me when the Constitution was changed to give the "profiteers" the right to require the Congress to declare war? If there isn't any law, perhaps, being a Congressman, you can tell me when the Congress declared war at the direction of the "profiteers."

An example to avoid

WHEN Professor Tugwell decided to set an example of home building for the guidance of private industry, one of the first ventures was "Greenbelt." After 23 months of labor by 9,700 workmen it is almost ready for occupancy. A private builder, who followed the financial operations at "Greenbelt," asks us to write Professor Tugwell's successor, telling him that he did not fare so well when attempting to adopt the Government's policy.

Dear DR. ALEXANDER:

I have tried honestly to adapt your "Greenbelt" example to my operations in the building industry. I saw where you wrote off 40 per cent of the cost as a loss due to incompetent labor. I employ the same kind of labor as you did. But when I asked the income tax man if I could write off 40 per cent of the cost and take the deduction, he laughed in my face. Unless you can get a change in the ruling, your example is a total loss so far as I am concerned.

Employees with a conscience

WHEN Secretary Ickes refused to provide Senators with all the patronage they demanded, they said he was disagreeable and would not cooperate. The public took his side, for nobody could give some Senators all the patronage they demand. Recently Mr. Ickes has shown himself not to be an understanding person. One who signs himself "Employee" asks if we will write Mr. Ickes explaining why so many employees in the Interior Department are late for work:

Dear MR. SECRETARY:

Your rule requiring clerks to be on time for work and reports sent to you when they are tardy, has caused us clerks to call you "Schoolmaster," and some other names. If you understood us better you would realize that we have a conscience and the reason most of us are late is because we hate to kill so much time after we are supposed to be on the job.

Unfair comparison

SENATOR Ellender gets himself in trouble with a disciple of the late Huey Long when he compares President Roosevelt to the Louisiana Dictator, and proclaims "if that spells dictatorship, then I am going to do all I can to help the President estab-

lish such a dictatorship in the United States." The admirer of the late Kingfish points out the discrepancies and asks us to remind the Louisiana Senator that, in this instance, comparisons are odious:

Dear SENATOR ELLENDER:

As one who cherishes the memory of the late Senator Long, I do not agree with your conclusion that, after serving a term in the Senate you are "convinced the Roosevelt Administration is following the same methods and philosophy as the late Governor. It is true Governor Long had his troubles with the judiciary when it refused to hand down decisions as directed. But when the courts of Louisiana refused to do his bidding, he removed the judges and put his own judges on the bench. Where Governor Long succeeded, President Roosevelt failed. Louisiana judges "saw eye to eye" with Huey, or off went their heads. When President Roosevelt demanded the resignation of Commissioner Humphreys, because he did not "see eye to eye" with him, the Supreme Court sustained the refusal to resign and ordered the Government to pay his widow the accrued salary. Huey would not have fooled around for eight months and then failed to do something with a court that refused to do his bidding. I give credit to President Roosevelt for trying, but Huey got results!

A rose by another name

SENATOR Byrd's statement that abolition of the Resettlement Administration is "a welcome, although belated recognition of an unparalleled waste of public funds" brings a reader to his feet in protest. Changing the name from "Resettlement Administration" to "Farm Security Administration," he says, is a case of a rose by any other name, although the odor of the Resettlement Administration is entirely different from the fragrance of the rose. The protestant asks us to state it this way:

Dear SENATOR BYRD:

I hope you are not misled because the Resettlement Administration has adopted the alias of Farm Security Administration. It has just taken on an additional job. It has another appropriation to spend to eliminate farm tenancy.

The organization will be directed by the same old outfit. It will have the same director, the personal selection and disciple of the immortal Tugwell. The 12,000 or more employees will go about their accustomed duties and there should be several thousand new employees for the additional work.

It has already spent \$450,000,000 building home units costing from \$10,000 to \$25,000 each for use of low income groups in 232 resettlement projects. Uncle Sam is definitely in the landlord business with 10,000 homes to look after and maintain. The initial outlay of \$450,000,000 is only the beginning of the cost, as every one knows who has ever built a home. Besides, I suppose you know that the administration cost of the Resettlement Administration is the highest of any governmental agency.

Board vs. Court

AN employee of the National Electric Products Corporation, Ambridge, Pa.,

asks us to write somebody a letter and find out, if we can, where he stands. He is confused. So are we. We haven't the slightest idea to whom we should appeal. In the hope that it may fall into the right hands, we will try to help him by writing something like this:

TO WHOM IT MAY CONCERN:

I am one of 1,600 employees of the Ambridge, Pa., plant of the National Electric Products Corporation. On May 27 we entered into a contract with our employer through the American Federation of Labor. The Committee for Industrial Organization said we didn't have a right to make a contract. The argument got into court.

The federal court held that we had a valid, closed shop contract. The National Labor Relations Board ordered us to defy the court. I am a law abiding citizen, but it seems that if I obey one law I must violate the other. Should I follow the order of the court or the order of the labor board?

Disadvantages of citizenship

HOW should a native born American go about surrendering his citizenship for the advantage of being an alien? A Philadelphia WPA worker recognizes the advantage, but does not know how to go about obtaining it. He thinks a letter addressed to Harry R. Halloran, Philadelphia WPA administrator, might bring the desired information:

Dear Mr. HALLORAN:

I was one of the destitute who could not obtain relief because the jobs were taken by aliens. Finally 800 aliens were removed and American citizens were put to work. However, when the aliens were taken off relief work they went on relief without work. As a citizen I couldn't get relief without work and it was a long time before I could get work. I believe I like the status of an alien better. Can you tell me how I can give up my citizenship and enjoy the advantages of an alien?

Millions of aliens and none deported?

ARE millions of aliens in this country illegally? Everybody says so. Are any being deported? Not that anybody knows of.

A Spanish War Veteran asks us to write and remind Secretary Perkins of the resolution adopted at the recent Columbus, O., encampment, and inquire what she proposes to do about it:

Dear MADAM SECRETARY:

I was amazed at the claim of the United Spanish American War Veterans that there are 3,000,000 aliens in this country illegally. Would you please advise if there are that many? Our encampment adopted a resolution demanding that you deport all aliens who have been convicted of crime as well as all who are in the country illegally. As a matter of public information I should like to know what percentage of aliens illegally in this country have been convicted of crime and if any of them have been deported.

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The Factor speaks:



In this time of world-wide and un-reasoning fear, we are reminded of an episode in the life of the great statesman, Daniel Webster. One dark night, it is said, Mr. Webster was compelled to travel by stage-coach from Baltimore to Washington. He was the only passenger. He climbed up beside the driver, who, Mr. Webster thought, had a villainous look, and when they reached the lonesome stretch of road below Bladensburg, the Senator became very much afraid. Just then the driver turned to him and in a gruff voice asked him his name and destination. "I am Daniel Webster," was the reply, "and I am a Senator on my way to Washington."—"I'm so glad!" cried the driver, extending his hand. "You had me scared to death; I thought you were a highwayman!" ¶ Modern factoring removes the manufacturer's fear of credit loss and relieves him of working capital worries, leaving him free to carry on and develop his own business without curtailment of control or expansion of capital structure.

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The South's Chance at Industry

(Continued from page 34)

where industry and its accompanying urbanity are concerned. All of these psychological elements, and more, are behind the South's effort to interest outside capital and its slowness to develop its resources itself. Certainly, the resources are there.

One of the chief of these restraints is the South's conviction that the region lacks sufficient capital for industrial developments. This belief has a deep-seated, two-headed source: It arises out of, first, the general conception (prevalent in most non-industrial localities) of industry solely in terms of huge factory buildings, large pay rolls, and millions in capital investment; and second, the reluctance of moneyed men in the South to free their available capital for industrial uses. The first is, of course, fallacious; but the second is not only real, but stubborn, and it extends to the man in the street.

Southerners invest in North

SO WE have the spectacle of millionaire bankers and other Southerners turning down industrial investments of a few thousand dollars that would return them many hundred per cent in profits. Investments in land? Yes, they're ready to listen—though the land may not be producing nearly enough to justify its valuation. Investments in stocks and bonds of national corporations, operating in other regions and about whose management little is or can be known, and in which management the investor can have no hand? Yes, they'll ride the market with it for a while.

But invest in a mineral deposit, or a chemical plant, or a furniture factory, or any of the numerous highly profitable potential industries the South should contain and could make successful? No. The financier once invested in an industry—probably rigged by high-powered promoters such as plagued the region for a time—and lost a few thousand. So he'll stick to the land—not pausing to calculate how much he has lost on land.

This Southerner-with-available-capital has another conviction: that the South lacks the industrial experience necessary to its development of itself. It is true that the region has no great body of technological or managerial experience, nor any of the huge industry-financing structures that have grown up elsewhere. But that it has no talent for industry is resoundingly refuted by the United States Census, which shows that in 1933—the latest figures available—the

South's proportion of industrial failures to plants in operation was only slightly more than one-third that of the rest of the country. But, again, who reads the Census?

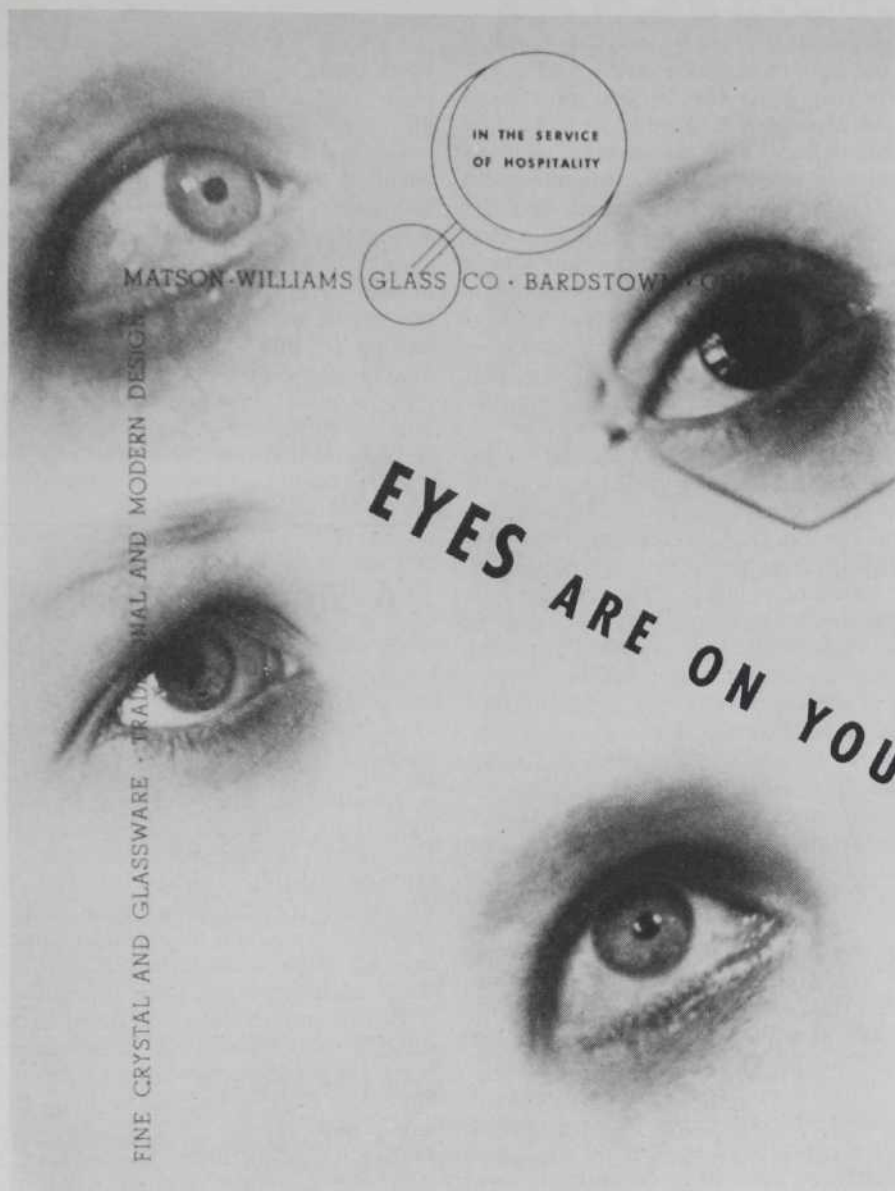
As if those firm beliefs were not enough, the Southerner holds yet another, and that is the assurance that materials and industrial products from other regions are *per se* superior to those from his own states. So a Texas hotel lines its lobby with Vermont marble, an Alabama college trims its buildings with Indiana limestone, and a West Virginia PWA project buys bricks from New Jersey, while these same materials in just as fine and sometimes finer quality go begging immediately at hand.

That, then, is the picture. The South must have industries; and since this development has not taken, at least very pronouncedly, the sounder course of smaller units financed and operated by people in the South, the South has been expending most of its industry-seeking energy in persuading industries outside the region to move to the land of cotton. To achieve this end it has developed a method peculiarly its own, the offering of inducements—free sites, free factory buildings, freedom from taxes, and so on—to established industries that will either move bodily to the South or set up branch factories there.

Today, in more or less virulent forms, it is still operating doggedly in the face of opposition from many southern leaders and despite roars of rage from an agonized press in older industrial regions. The less polite opponents of this practice call it "bribery." Its supporters call it "assistance."

No one knows who started it. Chambers of commerce used to get most of the credit; but today chambers of commerce on the whole do not follow this practice, and the responsibility for the continuance of the plan is less easily placed. A few power-company industrial divisions are using it vicariously; but the fairest flower in the garden of "assistances" is a state which has enacted a law permitting towns to float bond issues to erect factory buildings—in turn leased to incoming industries—and freeing these industries from taxation for five years.

One and all, the proponents of this method assure us that it pays; that it is the only way the South can get industries; that "everybody else is doing it." Opponents point out that the last two statements are far from being true: that everybody is not doing it, and that the South has a great



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body of industry—doubtless, if it could be demonstrated, the greater part—that never received a penny's free help from any source. And as for "paying," all the region gets from absentee-landlord industries is a pay roll, whereas if the money used as subsidy were turned to financing and assisting the establishment and development of industries by able men within the South, the region would receive all the other profits from the various steps of manufacturing.

In fact, it is beginning to dawn on the South that the industrial salvation of the region lies in just that—the development and support of smaller, regionally adapted industries set up and operated either wholly or in controlling part by money and men in the South. As a result, there is slowly growing up a body of leaders—small now, but increasing—who advocate the setting up of local agencies and funds for the purpose of assisting smaller, indigenous industries.

These leaders point out that while, in certain fields, the South will continue to need and will welcome industrialists and capital and experience from other regions, it can and must contribute more and more of its own talent and money. They stress the fact that something like four-fifths of the industries in this country—and an even larger proportion in the South—are capitalized at \$50,000 or less; and they cite countless industries that have started with considerably less and achieved astonishing success.

They demonstrate, moreover, that, everything else being equal, 60 industries capitalized at \$50,000 each, and scattered over 40 or 50 suitable locations, will operate with more total profit and value and general satisfaction to a state and to the region than will one \$3,000,000 industry; together, paying more wages, employing more people, turning out more product values, and having less dissatisfied labor than the large unit.

Of course, every discussion of industry in the South gets around sooner or later to labor. For too many years those seeking to develop industry in the region, particularly by importation, trumpeted about "cheap labor." Now the South is realizing its mistake. Now it is realizing that there is no legitimate reason why the Southern employee should work for 20 to 40 per cent less money than is paid to workers in other states. Many manufacturers, moving to the South, have discovered that the Southern worker learns three to six times as fast as does the employee in some more industrialized regions—and have joyously broadcast the news. So now the industrial literature of the South speaks of intelligent, rather than cheap, labor. To be sure, too many

supposedly intelligent Southerners still maintain that \$15 a week is a good wage; but, with the increasing industrialization of the South, this short-sighted idea will go the way of all flesh.

Let me conclude by repeating that, with all its shortcomings, the South is increasing its industry at a truly astonishing pace. Make no mistake about that. What the South should remember is that it is far from being out of the agrarian woods; far from having its share of the nation's industry and wealth in proportion to its population. Only when it has worked out the problems indicated here will it fully realize on its matchless potentialities.

A Sit-Down Strike That Won

(Continued from page 23)

ernor of the state and the Secretary of Labor at Washington, asking for a conciliator. They offered to turn over their books for examination by the union, or the workers, or some outside mediator. They offered to divide any profits there were at the end of the year on any basis deemed fair by such a mediator, if the old wage scale were put back into effect.

But the union leaders refused to reduce the wages, because, in the meantime, they had successfully organized the other Detroit hat factories on the same new terms. The others were managing so the union decided that if this one company couldn't run its business at a profit, it nevertheless could not reduce workers' wages.

Then the creditors appealed to the union, promising that if the wages were adjusted to their former level, they would continue to supply raw materials, but if not, they would be obliged to stop. Again the union refused. So, at the end of their resources, the executives notified the employees that the factory was about to be closed.

Following this decision came a response to the request for a conciliator. A representative arrived from the office of the Secretary of Labor, at Washington. He talked to the owners for two hours, but regretted that he had no power to act.

On May 12, 1937, 35 years after it was founded, Detroit's oldest and largest hat factory closed its doors. Dismantling of the plant began. On May 14 came a reply to the appeal to Governor Murphy, notifying them that a mediator was being sent out. A message was sent back to the Governor's office saying the mediator was too late.

Invisibly Supported

(Continued from page 28)

Recently, the Washington tipster services have been in the limelight because of the President's complaint against a report reflecting upon his health.

This report was not one of the tipster services, however, but from an established syndicate which had periodically distributed a confidential letter to its editors as a good will sales proposition.

After the President's complaint, the White House Correspondents' Association amended its rules of admission to bar any service which included the confidential letter.

This ruling will not affect tipsters. They are not admitted to the White House conference, they are not members of the House or Senate Press Galleries.

To have the privileges of these one must be a correspondent for a newspaper receiving a daily telegraphic service. And when it comes to defining a tipster one covers no small part of Washington's business population.

In many an office a mimeographed or a personal letter is prepared daily telling clients what is going on in Washington.

Tipsters take many forms

IT MAY be the office of an established trade association or the office of a representative of a business or industry. Then it may be the office of a type of legal practice which exists only in Washington, the handling of the manifold relations of citizens with the government departments. It is a practice which relies upon political contacts as much as knowledge of the law.

Some of these legal firms also send Washington "columns" to weekly and smaller daily newspapers. Their explanation is that they do it for good will and the advertising they get out of it. It follows, though, that they wouldn't miss an opportunity to advance a client's cause.

Newspapermen listed in the *Congressional Directory* are permitted to have no outside activities involving legislation, and any outside employment must be listed.

There are at least 100 "letter" services which supply Washington information to clients. Several are well established and of unquestionable reputation. These are analytical business reports prepared by business students.

After these come the scores of lesser known and not at all known serv-

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It's both good business and good policy to trade in your present time recorder—whether Stromberg-made or otherwise—for this new, faster, modern time clock. The cost of time now being lost would probably more than pay for the new equipment.

• Because it is *one-hand operated* this new, fully-automatic electric Time Clock is 32% faster! With its speedy one-hand operation, employees move along quickly and easily without having to stop because of aisle congestion. Thousands of minutes are saved for you and for them in a year!

Employees see at a glance its visible recording on the front of their

time cards. And they appreciate the fact that their time is kept and printed *accurately*.

This rugged new automatic Time Clock meets the special requirements of any business, no matter how complicated the hours or work shifts. It spotlights time irregularities in red ink (if desired) and cuts in half much of the timekeeper's routine work. Write for information.

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The No. 15 Stromberg Time Recorder is a smaller time clock with speed, strength and reliability. One-hand operated, electric—it is a money-saving investment for all sizes of business enterprises down to the smallest factories, hotels, stores, shops and offices.



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Stromberg Time Equipment includes In-and-Out Recorders, Job Time Recorders, Automatic Time Stamps, Wall Clocks, Program Instruments, and Process Timing and Signalling Instruments. All Stromberg Instruments are electrically operated and can be furnished in single units; or combined and synchronized in one system controlled by a Master Clock, or Western Union Control Clock; or equipped with synchronous motors.

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"We buy in carload lots . . ." wrote F. D. Lowrey, Vice President and Manager of Lewers & Cooke, Honolulu, who wanted more information about this 3-line editorial item in the February issue of Nation's Business.

Big buyers . . . alert readers . . . you can reach them through Nation's Business.



ices whose reliability depends purely upon the writer of the particular letter. Some of these writers make a fairly good living at this, others do not do so well. None is rich. Most of them specialize—in finance, in merchant marine, in the rapidly growing radio industry, in many other fields. To a large degree they are former newspapermen who covered these "beats" when they were in newspaper work.

The newspapermen insist these writers give their clients nothing that they could not get in the metropolitan newspapers which have greatly enlarged their specialized services in recent years.

There is, however, no reason why a conscientious letter writer, experienced in his particular field, cannot be of considerable service to his employer.

For one thing he serves as sort of a secretary. A business man, as a rule, can't spend all day wading through newspapers to see if there is anything of interest to his particular firm. The letter writer knows his interests.

Wall Street, however, is a happy hunting ground for the large number of fellows without visible means of support who seem always to have a supply of tid-bits of information they have picked up from a congressman, a Senator or government official, their "personal friends."

News men are asked for tips

NO newspaperman of any standing in Washington has escaped the importunities at one time or another of the Washington representative of a New York brokerage house to help him out in the matter of a hot rumor. My prize experience was a telephone call at 10 o'clock one morning from a broker friend. There was a hot rumor in the Street, he said, that the President was to confer with the oil men. Couldn't I possibly help out this once? It would mean a lot to my friend.

I told him that for once I was in a position to be of service, that the Street was on the right trail. I added:

"In fact, if the Street will just look on the front page of the New York Times it will find the story spread all over it."

From this it may be imagined how the Street affords a living to many a Washington resident who can talk wisely and mysteriously about what is in the wind.

A requirement in this field is to make everything involved.

There are other men in the Capital who make a living by keeping their ears to the ground, listening to the newspapermen, reading the Govern-

ment "hand-outs" on the Press Club table, or following the United Press news ticker in the club and reading the newspapers closely.

They "keep informed"

THEIR stock and trade is "being informed" and throughout the day they are on the telephone talking with their "clients," or running down information some particular person wants.

Their "clients" and their fees are not regular or a matter of definite arrangement. But they have wide acquaintances among persons who occasionally need information in Washington and know whom to call when they want it. For a fee they will put out a statement for a man wanting publicity; that is, prepare the statement and put it on the Press Club table.

The newspapermen think it is funny when one of these fellows reads an item on the club ticker and goes to a telephone to put in a long distance call.

Here again, however, is the service of calling a man's attention to something of interest to him which may or may not appear in his paper and which he may not see if it does. Also he has received the information many hours before the paper reaches him.

The Washington "representative" however, does not put the matter before his client in this candid way. He conveys the impression that the information he just got off the ticker came to him in most devious ways.

These fellows are also prolific and engaging letter writers. The average man likes to hear the Washington gossip.

He can, for one thing, retail it to his friends and appear to be "in on the know." He will speak about "my man" in Washington and probably send him a check now and then. It is perhaps the most precarious living of the many enterprises of this general nature.

Selling in a Rising Market

(Continued from page 44)

industry, outstanding for large scale production and consistent profits, buys in lots sufficient for current needs and takes its chances with rising prices. In the end, it makes its money from manufacturing profits, not from speculation in inventory values.

The usual American psychology is wrong. As prices advance the buyer



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month after month and year
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constantly increases his commitments. The result is maximum commitments at the top price. When the inevitable reversal comes the buyer is least ready for it.

The English and European buying psychology is just the reverse and appeals to me as much more sound. They watch a declining market until satisfied that a reasonable level has been reached, then cover, and on further declines, if any, continue to extend their commitments, satisfied that eventually their judgment will be vindicated.

As a result, their maximum commitments are made at the bottom of the market.

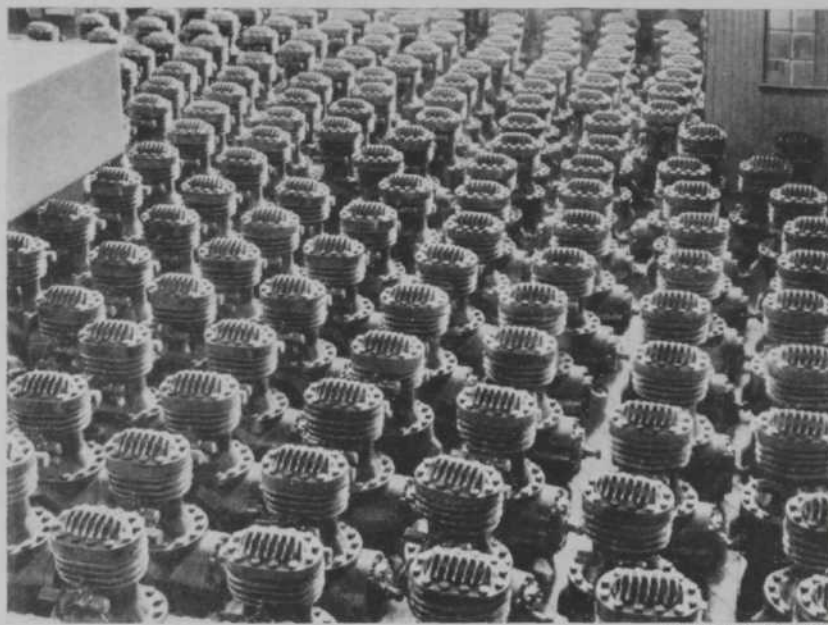
American sellers should caution their customers against making heavy purchases merely to take advantage of lower market prices.

Speculation vs. manufacturing

THEY should warn them that speculation in raw materials in a rising market for the sake of making a profit on inventory appreciation is contrary to the principles of a sound manufacturing business.

The fly in the seller's market ointment is the spectacular price drop which occurs when business sentiment suddenly causes a seller's market to shift into a buyer's market.

BELLRINGERS



YORK ICE MACHINERY CORP.

Heart Beats for Air Conditioning

BUSINESS prophets are calling attention to their auguries, made seven years ago, that air conditioning would be one of the country's great new industries. Each month the industry is making a stronger bid to fulfill the prophecies. Production for the first six months of 1937 exceeded \$60,000,000, 20 per cent above the entire year of 1936. Manufacturers are racing to fill orders for all types of air conditioning equipment.

Here is the 20,000th commercial Freon compressor, together with some other members of its immediate family, made by the York Ice Machinery Corporation, York, Pa. First compressor of this type was produced by York in May, 1933, although the company has been building equipment for cooling since 1885.

The condensing system in an air

conditioning layout consists of a refrigerant storage tank or receiver, a cooling coil, a compressor and a condenser.

The compressor is the pump which draws refrigerant gas from the cooling coil, compresses it and forces it into the condensing coil where the compressed gas condenses to a liquid and drains into the receiver. Its function is somewhat like that of the heart in a human body—it keeps the fluid in circulation.

The compressors shown in this picture are of the size most frequently used for the cooling cycle in the air conditioning of a large residence, and are used as well for small stores, restaurants, tap rooms and similar business places. Each of the units shown can develop enough refrigeration to cool two ordinary six room houses.

Therefore, do not sell for extended delivery, except to cover definite commitments, because, when prices fall, inventory depreciation invariably offsets manufacturing profits—and even exceeds them.

The drop is so much faster than the rise that manufacturers cannot clear their reserve stocks at the higher prices.

Their own markets collapse along with their suppliers' markets, and there is no way to get clear of the speculative crash without a severe loss.

For instance, in 1920 the average price of copper was 17.5; the high was 19.5; but the low was 12.75. Rubber saw a high of 55 and a low of 17.5; insulating tram silk for magnet wire hit \$31 and dropped to \$13.47. In 1921, copper averaged 12.65, ran up to 13.75 and down to 11.50. In the buyer's market of 1921 prices were reasonably stable; in the seller's market of 1920 the swing was from 19.5 to 12.75. No matter when the shift from seller's to buyer's market occurs, a considerable and rapid price change downward takes place.

Orders are doubled up

AS deliveries are extended, buyers place orders with several suppliers for the same material, hoping to receive part shipments from all to meet their own demands. Such multiple ordering causes suppliers to follow the same buying technique and soon every source of production is taxed with an overflow of orders.

The dynamite behind these buying tactics is the false index of demand which they develop. With demand apparently inexhaustible, prices are further stimulated, and so the cycle repeats in a hectic spiral which eventually falls under its own weight, and we are suddenly thrown back into a buyer's market with unabsorbed commitments, depreciated inventories, and all the ills that attend the readjustment of demand to its true level.

Economic leadership must come from business or else it will come from less competent but more punitive hands.

With the experience of the 1920 and 1929 depressions still fresh in our minds, let us take a firm stand against stimulating our customers to buy more than they need; do not use the old trick of landing big orders by serving notice of impending price increases and urging "adequate coverage at the old price." Urge your customers to extend the same philosophy to their own trades—keep the pulse of business steady by showing "the buyer" how to buy in a rising market.



A BEST SELLER MUST BE GOOD AND LOOK GOOD

This Nashua Package Sealing Machine gets complete protection from jolts and jars during shipment. This company has chosen KIMPAK Crepe Wadding, so that their sealer is ready for demonstration immediately on arrival.

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There is an economical size and thickness of KIMPAK for packing every type of

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One of a Series, "A Five-Year Record"

Carry the burden of FARM WORK

MILKING cows, pumping water, grinding feed—these and some 140 other jobs about the farm are being done for increasing thousands of farmers by electric power.

Electric service also improves the lot of the farmer's wife. It gives her the same conveniences which are available to women in city apartments and suburban homes.

20,715 Miles of Rural Line

Since the depth of depression five years ago, companies in the Associated System have accelerated their rural electrification programs. Last year they built 2,777 miles of lines, bringing service to 13,000 farmers and other rural customers.

In all, the System has constructed 20,715 miles of rural line, providing service for 222,281 customers.



ASSOCIATED GAS & ELECTRIC SYSTEM

William Jeffers: Challenger

(Continued from page 40)

stilled. The conductor now notifies passengers individually when their destinations are reached.

The nurse stewardess was another innovation. Only graduate registered nurses are employed. With air-conditioned cars, meal prices lowered, and this additional assurance of competent attention in case of emergencies, many more women with children and elderly people are traveling by train than ever before.

All of these added features Mr. Jeffers gave the tourist passenger without raising fares. No time is lost, because the *Challenger* makes its transcontinental trip in the same time as do all-Pullman trains. Other western roads were quick to adopt many of the changes Mr. Jeffers inaugurated and eastern roads now are falling into line.

Quarter million passengers

THE development of the *Challenger* is, of course, not the only factor in the Union Pacific's 34.5 per cent passenger revenue increase in 1936 over 1935, but in 1936, its only complete year of record, the *Challenger* transported 228,000 persons.

W. A. Harriman, chairman of the Union Pacific board, noted in the annual report for 1936 that "stimulation of travel has resulted to an important extent from the modernization of passenger equipment and a humanized service to all classes of travelers at low rates, especially the coach and tourist car passenger as expressed in the *Challenger* service, as well as our fast streamliners."

Some persons have believed the rail innovations of the past few years, coming particularly on roads in the West, are only passing fads to be abandoned as suddenly as they were introduced once business attains full stature again. Mr. Jeffers declares that they are permanent establishments on the Union Pacific.

"These changes are here to stay, and to be expanded," he says. "Every day some new thought comes to us. If the idea seems worth a trial, it gets it."

On September 15, 40 new coaches and five coffee shop diners were placed in the *Challenger* service, and the remodeling and conditioning of 40 other passenger cars was completed. *Challenger* service on September 15 was started to San Francisco as well as to Los Angeles and Chal-

lenger cars were placed on the Portland-Seattle trains.

What is Mr. Jeffers' opinion of the future of railroading in the United States, both in the light of competition of other types of carriers and the attitude of government?

The problem of regulation

THE five-foot-eleven, 215-pound executive who resembles in build a college fullback, squared off to meet this query. An interviewer immediately likes "Bill" Jeffers. A direct question gets a direct answer. The new Union Pacific chief doesn't pull his punches.

He said:

Concerning the attitude of government I think we are unduly alarmed. This avalanche of strikes and labor troubles, while pronounced, is not a serious threat to business progress.

It indicates a different trend in business relations. The worker insists his problem be considered. I have not lost touch with the rank and file. They are of my people. I can see the worker's side of the question, and he's right. The situation will correct itself.

One thing, however, must not be overlooked from the railroad standpoint. Railroads are required to pay top rates to workers, and to maintain good working conditions and hours. Every other line of business, when expense is increased, adds to the selling price of its product. Railroads can't do this because of regulation, with which I have no quarrel.

But railroads haven't been given proper consideration in the matter of rates. The public must realize, if the railroads are to survive and if the fine service which the public demands is to be maintained, that the railroads must be permitted to establish rates, both freight and passenger, high enough to carry the increased costs.

The chief difficulty of the railroads today is that we are rigidly regulated while other classes of competitive business are not. "One-half of the people can't be free, the other half slaves." But that's the situation in the transportation field today. And here again the poor salesmanship of railroad men has been a factor, because they didn't keep their picture before the public, as they should have.

We're on the road to beating off the challenge of other forms of transportation. With everything equal, we at least can give a good account of ourselves. Given the same breaks, we can handle long haul business as cheaply as anybody, and with more regularity.

Mr. Jeffers couples two developments, the streamlined, high speed train and the *Challenger*, as the most important in railroading in the past several years. The streamliner comes first because it set railroaders to thinking about recovering business.

The Union Pacific lays claim to the

first Diesel streamliner built and exhibited, although another line put its streamliner into service while the Union Pacific's was being shown at the Century of Progress. The longest streamliner at present is 12 cars; the Union Pacific is building two of 17 cars each. The Union Pacific also is experimenting with three kinds of streamlined steam locomotives, one of them a steam turbine-electric type.

For the future, Mr. Jeffers sees two types of railroad service, the high speed deluxe service with excess fare for those willing to pay for it, and the *Challenger* type for the average citizen upon whom, he says, the railroads must depend.

The possibility of government ownership of railroads he dismisses as being far ahead, if ever. Personally, Mr. Jeffers thinks United States railroads never will be government owned.

"The public, acquainted with and familiar with the benefits of the competitive system, isn't ever going to be willing to get away from the very thing that makes for better service," he reasons.

Consolidation must come slowly

MR. JEFFERS favors some consolidations, particularly in the larger terminals, but he realizes that this proposition involves many complications, even where it is practical.

Then, too, he points out that the plight of the little community, built upon a certain railroad activity, must be considered. This brings to the front again the modern employee's insistence that his problem be given attention, and Mr. Jeffers has said before that he believes the worker's attitude is not out of line.

Consolidation, therefore, in his opinion is something to be worked out by slow process—just another problem for railroad executives, who have many.

The Union Pacific's venture into oil is a good example. In a number of cities, the Union Pacific has created industrial development areas. At Los Angeles, oil was tapped adjacent to the Union Pacific property. To protect its own interests, to keep oil from being drained from beneath its property, the railroad went into the oil business, drilled 20 wells.

Mr. Jeffers knew hardly anything about oil; now that he is accidentally in the business, he can give you most of the answers about it, too.

"Coca-Cola" invites you to lunch



Too busy to go out for lunch? Just order a sandwich and an ice-cold Coca-Cola. It makes your lunch time *refreshment time* and sends you back to work feeling fit.



Sandwiches, cheese crackers and most of the good things that go to make a light lunch, taste better with the tingling sparkle of ice-cold Coca-Cola. Try Coca-Cola with *your* lunch today.



A natural partner of good things to eat. That's why so many order ice-cold Coca-Cola with their lunch. Pure . . . wholesome and so refreshing.



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A Five-Year Plan for American Farmers

(Continued from page 77)

of cotton, and seldom did he roll in wealth. The daily cotton quotation is front-page news in southern newspapers.

The farmers didn't think much of the idea but they had to accept the cow, sow, and hen program if they wanted money, and they had to have money.

The bankers and business men did a good job.

They obtained motion pictures of diversified farming, and showed them in every school house and church in Colquitt County. They had five-minute speakers like the Liberty Loan drive.

Then, they sent inspectors to visit the farms and see that the borrower was living up to his signed contract for the Five-Year Plan.

Operating a packing plant

PRETTY soon they had to build a road through the cotton field to the packing plant, because the hogs and cattle started coming in and then the courageous men who had built that packing house discovered something! It takes a lot of money to run a packing house, and the profit lies in big operations and in the by-products.

Again they showed their wisdom. They went to Chicago and talked to Swift & Company.

The idea of a packing plant in Georgia sounded funny to Swift, just as it would have to any of the other packers at that time.

But these Georgians were sincere and confident. The idea of the Colquitt County Five-Year Plan, which was already spreading to adjoining counties, greatly interested the Swift executives. Moultrie's delegation admitted that they didn't have so many hogs and cattle now, but promised positively that they would have plenty soon.

The big packers come in

AND, Swift & Company bought a packing house in Georgia.

That was 20 years ago. Now Armour has a plant not 25 miles from Moultrie, Cudahy has just built a plant in Albany, 48 miles north of Moultrie, and Wilson and Company has just bought a small plant at Columbus, Ga., and is to enlarge it.

The Five-Year Plan, slow and difficult at first, but enforced by contract, soon began to gain momentum of its own accord.

Farmers in other sections cannot

appreciate the daring of this plan; they cannot picture a "farm" with not a single vegetable, no chickens, no cow, no hogs; or picture a "farmer" in town buying salt pork, but that was the actual condition in Colquitt in those days.

Today, Colquitt County is said to be the most widely diversified farming county in the United States. Fields are green 12 months in the year and there is ample rainfall at all times, due to its location between the Gulf of Mexico and the Atlantic Ocean.

Today Colquitt County ranks low in cotton production among the counties of the state.

It raises hogs by the thousands, every variety of vegetable, tobacco in a big way, peanuts, pecans, and other cash crops.

In 1917, the farm income of Colquitt County's 3,000 farms was \$500,000. Today it is \$10,000,000.

Of course, this ten million isn't net income.

It doesn't mean that every farmer in the county makes \$60 a week in addition to having all his food right on the farm.

Local market is small

BECAUSE despite the fact that Colquitt has diversified, that crops are rotated, that winter cover crops are turned under, the depleted cotton acres of this section still require plenty of fertilizer and this is a big item, but it was also a big item when the income was only a half-million dollars.

Colquitt County would be even more prosperous if it were located on the outskirts of Chicago or New York, because the county produces such an overabundance that Moultrie consumers use but a small percentage.

Moultrie's population is 8,000 and it is the only city, and practically the only town, in the county.

While Moultrie has grown rapidly in these past 20 years, it is still far behind the progress made in the rest of the county.

The dream of a packing plant became a reality and industry was out of balance with agriculture.

The farmers took one look at the packing plant, demanded assurance that cash would be paid out daily for cattle or hogs, went home and got busy. In fact, they almost outdid the packing plant.

Today, after many enlargements, it has a capacity of 2,000 hogs and 500 cattle daily. In the summer it

doesn't get that many. In the winter, it gets more than that.

The old slogan, "A cash market daily for cattle and hogs," was enforced, even though the supply far exceeded the daily capacity and buying more hogs than he can kill in one day costs any packer money. The hogs carried over must not only be fed but, at the same time, they lose weight. At nine or ten cents a pound, 7,000 hogs losing two pounds daily runs into figures.

A distinctive flavor in hams

THE packing plant that started in such an unusual manner, later developed a most unusual product—Peanut Hams. Hogs in this section are turned into the peanut fields and practically raised on peanuts.

Their pork is soft, not hard like the corn-fed pork of the North and West. In the beginning, the trade shied at soft pork. Then it was discovered that this soft pork had a peanut flavor, that it was different and a delicacy.

They called it "Peanut Pork" and it has developed into a specialty product. Georgia Peanut Hams are gradually building a name for themselves over the country.

It was at this packing plant in Georgia that Georgia Peanut Hams originated.

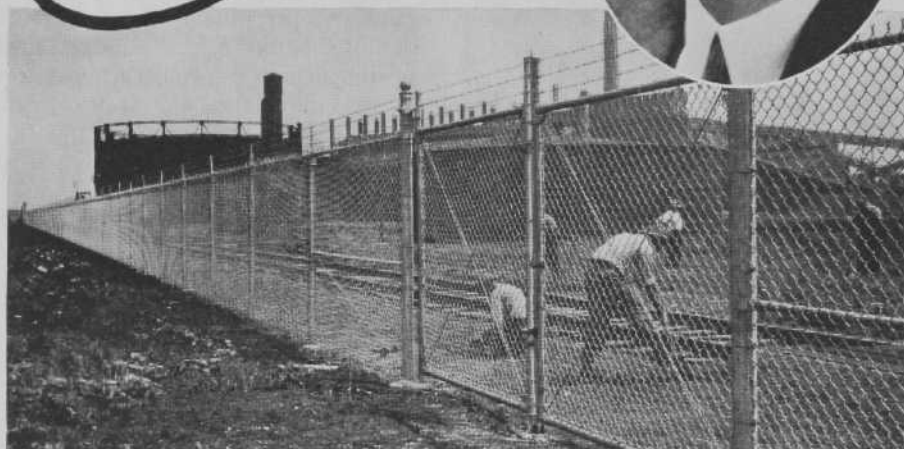
Moultrie, like all Georgia towns, has always had its cotton market. In recent years, it acquired two peanut shelling plants that do capacity business, and a tobacco market that pays out about \$2,000,000 in the course of the tobacco season.

However, Moultrie still has a long way to go to catch up with its country cousins outside the city limits. During the five winter months when hogs are marketed in a big way, the natives call Moultrie's main street "Squeal Avenue," because every five minutes a truck load of squealing hogs rumbles down the street on its way to the packing plant.

Travelers who know the South can see the effects of the Colquitt County plan the instant they enter the county. Many of the farm homes are actually painted! Those who have traveled the Deep South and marveled at the absence of paint on country dwellings will appreciate this.

The Negroes are well dressed—that is unusual in the South. Even the Negroes have good cars. On Saturday in Moultrie you see thousands of farmers and their families, Saturdaying in town. Their arms are loaded with bundles, new cars line the curb, and there is a general air of prosperity about the whole scene, thanks to the working of the Colquitt County Plan.

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Can Commercial Banking Continue?

(Continued from page 26)

nancial Institutions as well as author of the Hoosier State's up-to-date banking code.

This particular banking service, cost of which is shared by the banking department and the University, is in two parts:

First, there is a monthly bulletin which, so far, has devoted itself to teaching bankers the fundamentals of investments—quality, marketability, maturity distribution and diversification.

Second, investment portfolios of the banks, submitted to the School's Investment Advisory Bureau, are analyzed in a general way.

Too much regulating?

ONE objection expressed in regard to this system is that it involves the state banking department. The thought is this:

Although an independent agency—the University—actually provides the service, its recommendations pass through the hands of the supervisory agency and may be regarded by some as leaving the bank less choice as to whether or not such suggestions should be followed. As a solution to this it has been suggested that an arrangement might be worked out between state universities and state banking associations.

There are still plenty of bankers who resent regulation, either state or federal. Federal regulation comes in for the greatest attention because there is more of it and also because the federal Government provides a fair share of competition for bankers.

The FDIC receives considerable criticism among the small bankers, not because it costs them something to insure their deposits but because it means added regulation and examination.

Note this passage from a speech by Chairman Leo T. Crowley of the FDIC:

Let me state positively that, in no case, will the Federal Deposit Insurance Corporation tolerate speculative activity, or similar unsafe and unsound practices by its member institutions. The success of the insured banks must be obtained through development of a volume of business which will permit profitable operation without impairing the safety of depositors.

Natural growth is accomplishing this end in many instances. It is to be hoped that this growth will continue and that through it many banks will be able to develop an adequate earnings record.

Where the limit of growth has been reached, where the possible margin of growth is insufficient, or where adequate management cannot be afforded, I can see only one alternative to ultimate failure. That alternative is some form of merger with one or more neighboring institutions.

Banks should show a profit

MR. CROWLEY has made it clear that he wants no new bank opened unless it can show promise of operating at a profit.

The FDIC is already merging some small banks. The current trend is toward fewer banks.

Since late 1934, in fact, the number of banking institutions has been declining.

The question is, with the return of prosperity and higher interest rates, will the FDIC be able to pursue its policy of restricting new banks to those that are strictly economic?

And speaking of economic banks, which means those which provide a needed service at a profit, what are banks doing to improve their earnings?

The answer divides itself rather conveniently into four parts:

1. A more aggressive attitude by some banks in developing their regular loan business.
2. A tendency to move into loan fields hitherto regarded as outside the field of commercial banking. Instalment financing is an example.
3. The establishment of more and more service charges, based on accurate cost studies.
4. Attempts to learn more about investments.

Loans can be developed

JUST what is being done to improve demand for loans can best be illustrated by an example.

The First National Bank of Clarksville has, in effect, turned itself into a top notch agricultural agent for the county (Montgomery) where it is located. It has developed and cooperated in a number of ideas to improve farming and has benefited thereby.

More specifically, some two years ago, Mr. Bailey helped develop a stockyard in Clarksville, which boasts of a population of about 12,000. The bank contributed \$250 to this project, received stock in the stockyards but had to write it off to abide by the law.

In six months, the bank had made, on live stock loans arising directly out of the new yards, more than six

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times the \$250 contributed.

Somewhat more than two years ago this bank went into the personal loan business. This classification has been built to more than \$100,000.

That directly introduces us to point two. The personal loan field is definitely receiving more attention by bankers. Many of them still oppose this small type of business but a larger number are coming into it and the related field of instalment financing.

The clearest idea of the trend is to be found in Indiana because that state is one of the few—perhaps the only one—which has some statistics on the situation. From the middle of February to the middle of June this year the number of banks registered under Indiana's Retail Instalment Sales Act increased from 204 to 224. Indiana, by the way, was the first state to regulate finance companies.

Service charges are common

AS FOR service charges, anyone who has maintained a small checking account for ten years or more is probably pretty familiar with developments in this field. The "pay-as-you-go" or "no-minimum-balance" checking account scheme is the most recent twist and promises to develop rather extensively. Last spring the American Bankers Association's Bank Management Commission issued a report attacking "pay-as-you-go" checking accounts but chiefly on the ground that the charges were not based on accurate cost surveys. Talks with country bankers show that there is now great interest in determination of costs.

Just how far the banks progress toward profitable operations is an important factor in determining whether or not unit banking will continue in the United States. Some of them are making real headway but at the moment they appear to be in the minority. In any event there is no immediate outlook for a drastic change in the set-up.

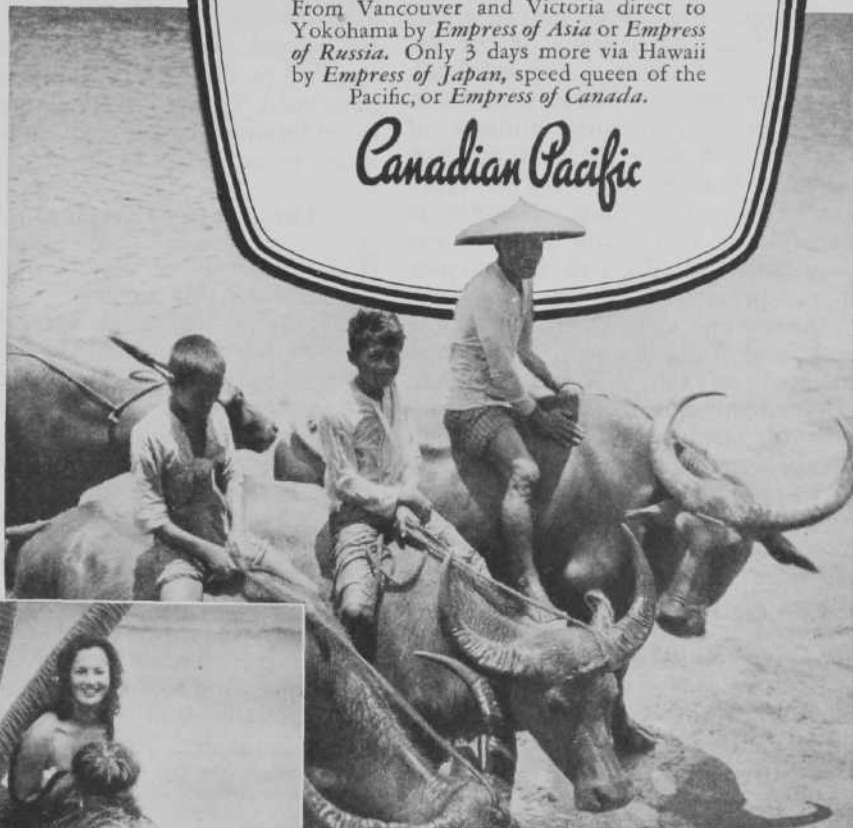
As Mr. Bailey puts it:

"Country bankers must combat branch banking by being real country bankers."

A hint as to just how far they may have to go is to be found on the condition statement of Mr. Bailey's bank. A footnote there explains that an "other assets" item of \$2,376.97 is the "cost of 50 pure-bred Hereford bulls lent without cost to farmers throughout Montgomery County."

Service charges are clearly on the uptrend just now but here is one bank which has found a way to provide service without a charge and make money on it.

Carabaos and Filipinos are almost inseparable.

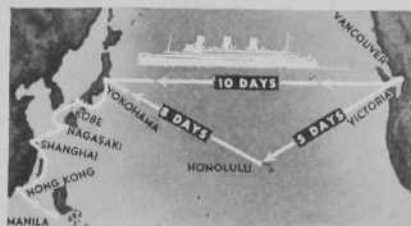


Beauty is native to the Hawaiian Islands.



Taoist Priest in his Ceremonial Robe.

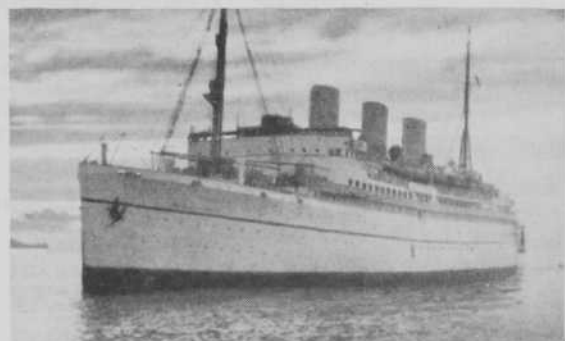
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A Test Tube for Unemployment

(Continued from page 17)

signed, according to the assertions of its proponents, to minimize if not entirely prevent any future unemployment emergencies, and also to provide protection against indigency in old age. Yet those who worked most energetically for its passage are now asserting its inadequacy and are calling for expansion and liberalization of the statute, for bigger and better benefits for almost everybody.

Unemployment even played a major part in the passage of the Securities and Exchange Act. After all, so it was contended, large scale relief was necessary because millions of workers had been mulcted of their savings. Did any one stop to figure out how many of those classified as unemployed at the low point of the depression actually had any savings in prosperous times? By no means.

During and after the period of the rise and fall of such legislative panaceas as the NIRA and the AAA, government officials repeatedly condemned business men for creating unemployment and for refusing to hire the unemployed. They wouldn't listen when the question was raised as to where the pay was to come from if there was no demand for the things produced. So, they constantly asserted, if business does not do the job, then Government must do it.

Sometimes business men have been threatened, other times cajoled. Barely a month ago an administration spokesman called upon business men and their organizations to launch a two-year campaign to give permanent employment to at least 4,000,000 persons now on the relief rolls.

It was with the view to finding out a little more about a typical cross-section of these millions that NATION'S BUSINESS had a sample survey made. If it has served any useful purpose, it is to show the need for further and more complete surveys along the same lines.

In arranging to have Crossley, Incorporated, examine the employment records of a representative group of relief recipients, NATION'S BUSINESS asked this firm to select a city whose busi-

ness activities provided a typical combination of industry and trade. An industrial city was chosen. Crossley, Incorporated, then asked officials of the Department of Public Welfare to pick out at random from the lists of those engaged on WPA work or receiving direct relief one hundred names that would constitute a proper cross section. NATION'S BUSINESS asked only that facts be obtained about this group of persons who were actually receiving relief in June, 1937. Its editors had no preconceived notions as to the results that might be developed. They were concerned only in obtaining dependable data that might be considered typical.

These never worked much

HERE are some of the facts brought out through this survey:

Of the 100 persons interviewed, only 44 have ever had any employment in private business. The detailed figures as to the previous employment of the entire group need little comment. As presented in Table I, they reveal clearly that of the entire group business can be held responsible for providing employment for only a small number. It could not be said that any considerable number of those who had never had any occupation could qualify for work in industry and commerce. More than

50 per cent of this group were housewives who had always been supported by their husbands and relatives and had never trained themselves for any gainful occupation. Moreover, it could not be expected that those who had been engaged in domestic household service would be adapted for work in private business.

Seventeen of the 100 individuals were 70 years of age or more. Obviously none of these is a likely candidate for employment or reemployment. Certainly government would not employ them, at least if by some strange chance one or more of them might be qualified for appointment to the judicial bench.

The jobs previously held by those who had ever worked in private enterprise, as is shown in Table II, were too diversified to warrant any generalization, except that it is obvious that technological developments were an inconsequential factor. In the entire list there was only a single workman who had ever been employed in the machinery and equipment industries, while factory workers of all kinds constituted a small minority. Of the total in this group, more than one-half had been unemployed for at least four years, one having had no work in the past 15 years.

On first glance, the record of constantly declining earnings and constant contraction in total days worked, as shown in Table III, might be thought to demonstrate that work opportunities were becoming progressively fewer and wage rates progressively lower. Of course, in the past several years the situation has been entirely different. Every few months Secretary Perkins has produced new figures to show how many million persons have been restored to private pay rolls and how many hundreds of millions have been added to aggregate wage disbursements.

Of course, the figures appearing in Table III represent averages computed from the records of all 100 persons, including those who had no work of any kind during some or all of the years under review. Accordingly, the results may seem distorted. But they are

What's Coming in November

★ ★ ★

The Forgotten Saver

By Albert W. Atwood

Only a few years ago everybody was urged to practice thrift and the saver was lauded on every hand. Today, all this is changed. The reasons for the change and the probable results upon individual and national economy constitute a new business problem that eventually you are going to have to wrestle.

The Art of Being a Boss

By A. M. Ferry

When you hire a new employee, you want to know that he is qualified to do the job you set for him. What assurance has he that you are qualified to be his boss? A view of the employer's job from the worker's angle. If you happen to be a good boss this will cheer you up. If you aren't, maybe you could learn to be.

The Taxpayer Pays the Doctor

By George Morris

Socialized medicine makes its bow in this country through a little publicized plan which provides \$20,000 of tax money to guard the health of employees in a government office.

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no more so than most statistics which purport to show the total volume of unemployment, and of total payments to relief recipients. These, too, are usually gross totals and provide no accurate indication of the amount of unemployment or of relief disbursements which might conceivably be attributable to failure of business to provide employment for those who could and would work.

Incomes below average

AS a matter of fact, only 56 out of the 100 persons were working at all in 1929. Their median annual wage was \$780. Their average annual earnings were \$940. This figure is some \$400 lower than the *per capita* annual income of all of the nation's workers, as estimated by the Department of Commerce for 1929.

The 1929 earnings of the 35 persons who were employed in private business averaged \$1,117, this average being materially increased by reason of the fact that several persons earned more than \$2,000 in that year. The highest paid worker, a bricklayer, received \$3,080 in 1929.

One other factor disclosed by this survey is of more than incidental interest. The Crossley investigators, in an attempt to picture the real economic condition of those on the relief rolls, decided to find out how many had had bank accounts. Of the 92 persons replying to the specific question which all were asked, 82 had never put a dollar of savings in a bank.

Typical of relief rolls

THERE can be no doubt that the prototypes of these 100 individuals are on the relief rolls in each community. Almost any one could select from his own acquaintances persons whose records closely parallel those chosen for this survey. Typical case records are summarized in Table IV.

Perhaps in itself this analysis of such a minute segment of the relief rolls proves nothing. That is of no consequence. NATION'S BUSINESS did not set out to prove anything.

It is conceivable that, if all the facts were known, they might show a need for spending more money for relief rather than less. In any event the facts would undoubtedly disclose that a large proportion of current relief expenditures are being used for purposes that have no realistic connection with unemployment.

Is it too much to expect the federal Government to identify the amount of public funds being spent for persons on the relief rolls who are unemployable by choice or because of personal incapacity? Of course, there is already a segregation of ex-

penditures made for such purposes as old-age assistance, aid to indigent children, etc. But when it comes to expenditures specifically designated as unemployment relief, there seems to be no desire among federal authorities to disclose what proportion is being spent on behalf of the unemployed who would work if they could, how much for outright charity, and how much for various kinds of boondoggling.

Recipients of public charity are no more to be stigmatized than those cared for by private philanthropy or by their relatives. Charity, as such, is a social problem and not a responsibility of business. Manifestly it is unfair to lump together expenditures for relief of dependency and expenditures for relief of unemployment and then to convey the impression that the combined total represents the charge on the public resulting from the failure of business adequately to perform its function of providing work and wages.

Relief for vagrants

TO CITE an extreme example, who knows how much is being currently spent on behalf of the thousands of persons who have deliberately chosen a career of vagrancy. The hoboes themselves are not at all squeamish about advertising their unwillingness to work. Just a month ago the editor of the *Hobo News* appeared in Washington to denounce traveling conditions encountered by the moochers. In his judgment, Government had been altogether too niggardly to the members of his clan. He said that, unless the situation was improved immediately, he would lead a second Coxey's Army "to demand better beds and meals for hoboes, to be provided at a nominal cost; or better still, no cost."

Whenever the question is raised, WPA officials say they already have a plethora of information about all of those engaged on their work relief projects and about others seeking public relief. In fact, the availability of such information has been frequently pointed to by government officials who have opposed the conduct of a nation-wide census of unemployment.

Despite the objections of government statisticians and relief officials, however, a census is about to be taken. A bill for this purpose was jammed through Congress in the closing hours of the 1937 session. This new census is officially described as a voluntary registration. It is expected to cost not more than \$4,000,000. This investment may be well worth while. On the other hand, if it should be improperly conducted, or if its results are improperly presented to the

public, all sorts of dangerous consequences might follow from the misconceptions that might arise.

According to present plans, the enumeration will be confined to ascertaining how many are out of work, how many want work, and how many can work. Evidently each individual is to decide for himself in what category he should be counted, if at all. No one will be compelled to register; no one will be compelled to divulge any information about his past employment record.

The count may be padded

THE danger in this sort of an enumeration lies in the possibility that millions of persons who may already be employed, or who have never previously had any intentions of working, may succeed in getting themselves counted among the unemployed.

If this should happen, there would again seem to be a major unemployment crisis and a new flood of proposals for governmental action would immediately ensue.

Fortunately those who are to be in charge of the census are aware of the difficulties. Last spring Dr. Stuart Rice, chairman of the U. S. Central Statistical Board, cogently outlined the obstacles to anything like an accurate count of the jobless. This is what Dr. Rice had to say:

To begin with, unemployment is a subjective phenomenon. The mere lack of a job does not of itself make a person unemployed. If he lives on income from investments, if he is a student in college, a small tradesman on the road to bankruptcy, he is not, in the usual sense, unemployed. But if the retired investor seeks to get back into harness, if the student decides to supplement the family income, if the small farmer and tradesman give up the struggle, they become unemployed.

Consider the case of an employed father, his wife in the home and his daughter in high school. He loses his job, the wife and daughter seek work. Can we say in this case that the number of unemployed has been increased by one or by three? One employee has been displaced, but the subjective effect is that three people start looking for jobs, to glut an already oversupplied labor market. . . .

The proposal to conduct a census through self-registration of the unemployed, as proposed by Gen. Hugh S. Johnson, attempts to escape these difficulties by evading them. It asks each individual to answer for himself whether or not he is unemployed. No available inducements would bring about the self-registration of all genuinely unemployed persons. If jobs could be offered to all registrants, the appeal to register might be effective; but the implication that jobs or relief would be forthcoming would infinitely harass all concerned with the program.

On the other hand, many who were not genuinely unemployed would register. Many who are not actively in the labor market, as well as many who hope to obtain better jobs, would place their

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names on the registration lists. The net result would defy analysis.

These obstacles have not prevented other government statisticians from repeatedly making pronouncements as to the precise number of unemployed at specific periods. Thus, with dogmatic assurance, Corrington Gill, Assistant WPA Administrator, announced in August of this year that 7,700,000 persons were then unemployed. At frequent intervals, and more than once in the same week, different agencies, often government agencies, have issued estimates of unemployment several millions apart. It would be laughable if it were not so tragic.

The real unemployed

FROM one standpoint, all of these estimates, inaccurate and misleading as they may be, are entirely too low. As was pointed out by John W. O'Leary a year ago when he was heading the National Chamber's Committee on employment:

During the most prosperous years 60 per cent or more of the population of a typical community are unemployed,—that is, that percentage of the population is not engaged in work for pay.

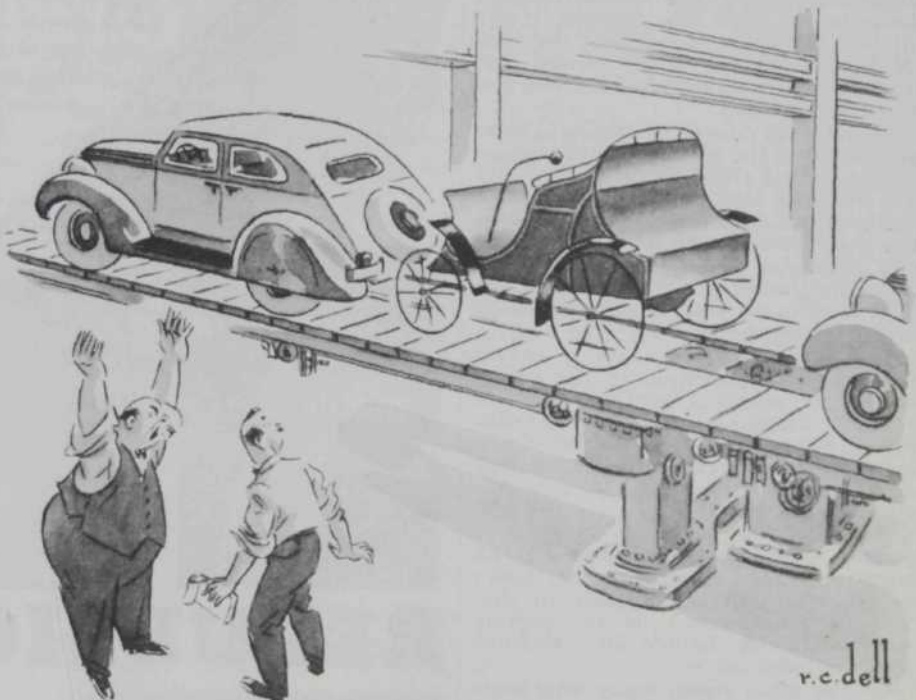
Most of this 60 per cent, of course, constitutes housewives and school children, but a housewife evidently becomes unemployed, for statistical purposes, whenever she decides that she would like a job if the pay were high enough, the hours short enough, and the work sufficiently congenial. It does not follow, however, that business is under any obligation to pro-

vide work for every one, whether qualified or not, who suddenly announces a desire to become attached to some industrial pay roll.

What would this new census reveal about the employment status of "teen age" minors? The supposed prevalence of child labor in industry is constantly used as a pretext for restrictive legislation involving all kinds of irrelevant objectives. No reputable business man condones the use of child labor. In many industries it has almost completely disappeared. At the same time, one wonders whether the same officials who condemn business men for employing such labor are not counting as unemployed the hundreds of thousands of children whom private enterprise has properly refused to hire.

And what light would such a census cast upon the specter of technological unemployment, that favorite bogey-man of the advocates of planned economy? Every one knows that temporary hardships may be caused to those displaced by new equipment and new processes. What is more important, every one should know that, in the long run, machinery has created far more jobs than it has destroyed.

Seven years ago, President Hoover appointed a committee on employment and directed it to give special consideration to problems of technological displacement. Its report advocated further study. A year later, the Secretary of Labor appointed another committee to study technological unemployment. It, too, reported as to the need for further study. Fi-



"Mr. Adair, I've told you before—you've got somebody on this line that's too old for the job!"

r.c. dell

nally, the National Resources Committee, with Secretary Ickes as Chairman, launched a study of "Technological Trends and their Social Implications." In June, 1937, this body, after the hardest sort of labor, produced a result to wit: A recommendation which, translated into the vernacular, means little more than "further study."

There is little, if anything, new in all of these observations. Indeed, there was little new in the findings produced by the Crossley survey. But there is new need for emphasizing the conclusions that can be drawn from such surveys.

Perhaps, with all the resources at its disposal, the federal Government cannot now accurately determine how many of those it counts as unemployed are *bona fide* prospects for re-employment in private business and how many are legitimate cases of indigency. At least, there should be little difficulty in determining how many of those now on the relief rolls are able-bodied persons who, through preference, remain in idleness or work only casually. As the National Chamber's committee on employment urged a year ago, government should not maintain such persons at public expense on a higher standard of living than they will exert themselves to earn by their own efforts.

Facts are needed

CERTAINLY the public is entitled to know in far greater detail and with far greater accuracy the facts about the Government's relief activities. Unless the Government finds ways to produce the essential facts, there would seem to be little warrant for any further attempts at expanding its control over business on the pretext of preventing or minimizing unemployment. Certainly it should provide them before many more billions are added to the astronomical deficits of the federal Government in the cause of unemployment relief and in the elaboration of a legislative program under which a beneficent and omniscient federal Government would provide the careers and dictate the activities of every one.

In short, if we are to have permanently the tremendous army of the unemployed about which our politicians constantly declaim, the least that could be done is to divide them into the ranks of those actually capable and desirous of working and the unemployables who will always have to be supported at public expense. Then, and only then, can all the taxpayers and voters determine whether all the things the Government promises in the cause of unemployment relief are worth the cost.

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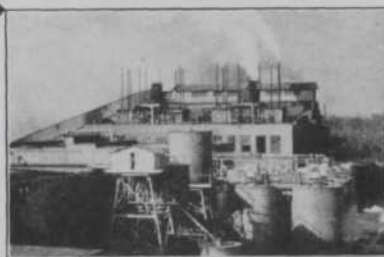
The industrial use of Mississippi's vast storehouse of minerals and clays is in progress, with one mine yielding 800 tons of bentonite per week. Many valuable deposits still remain untouched.



BENTONITE MINE

FORESTRY PRODUCTS

Leading the South in board feet production of lumber Mississippi has available adequate raw materials for paper and pulp industries. Present mills are running full capacity but other areas remain open for development.



KRAFT PAPER MILL

With soybean and tung oil yields increasing; with interest gaining in the manufacture of starch from sweet potatoes; with sea food production expanding on the Mississippi Gulf Coast; with interest continuing in hosiery and garment industries—Mississippi invites you to come and join in the new era of industrial progress and prosperity that it is experiencing.

Read the Facts—Write Today

for this illustrated booklet—it contains new and interesting information about "Mississippi—A Land of Industrial Opportunity."



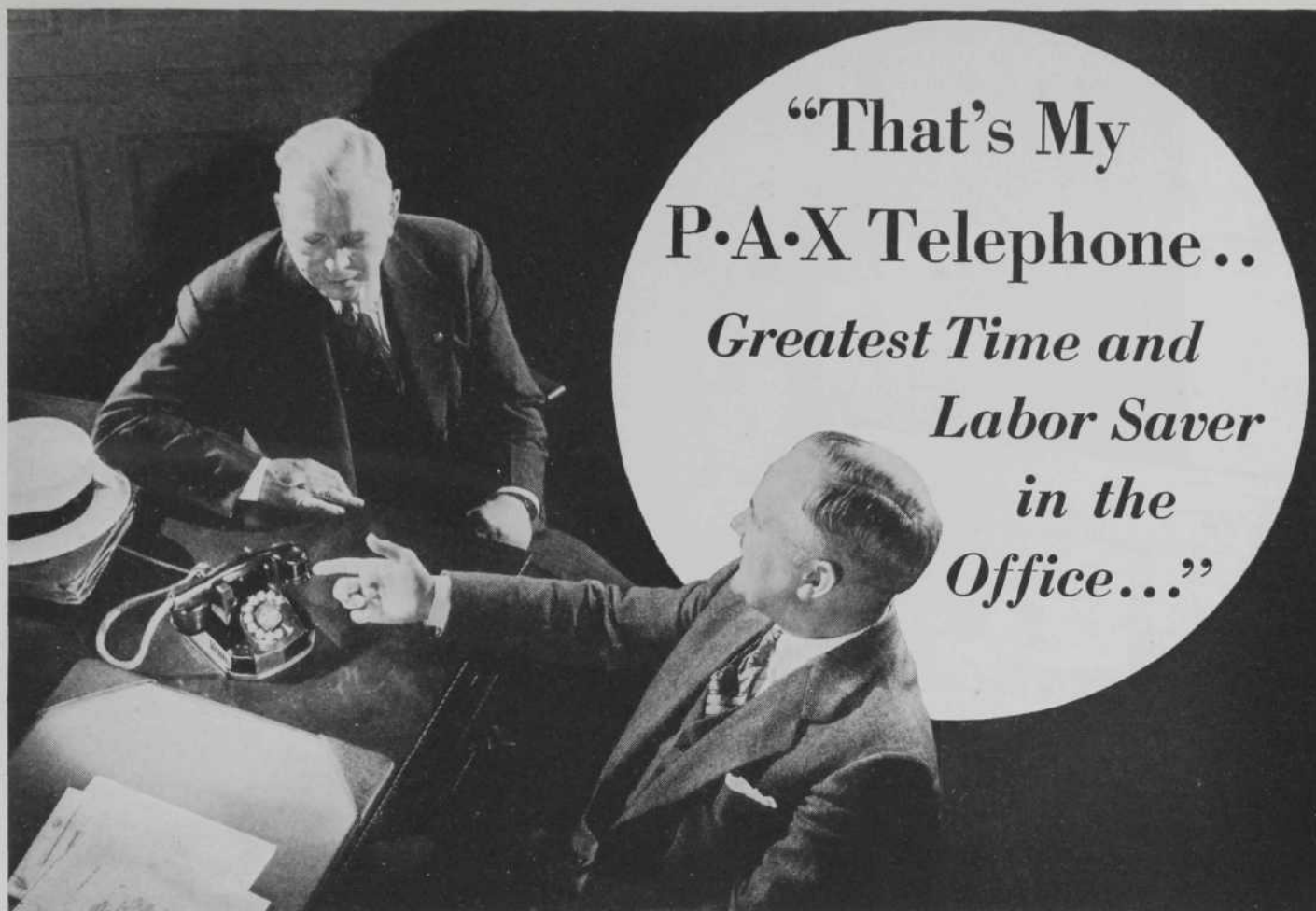
MISSISSIPPI INDUSTRIAL COMMISSION

A DEPARTMENT OF THE STATE OF MISSISSIPPI
JACKSON, MISSISSIPPI

MISSISSIPPI A GREAT AGRICULTURAL STATE
— GOING TO TOWN — **INDUSTRIALLY**

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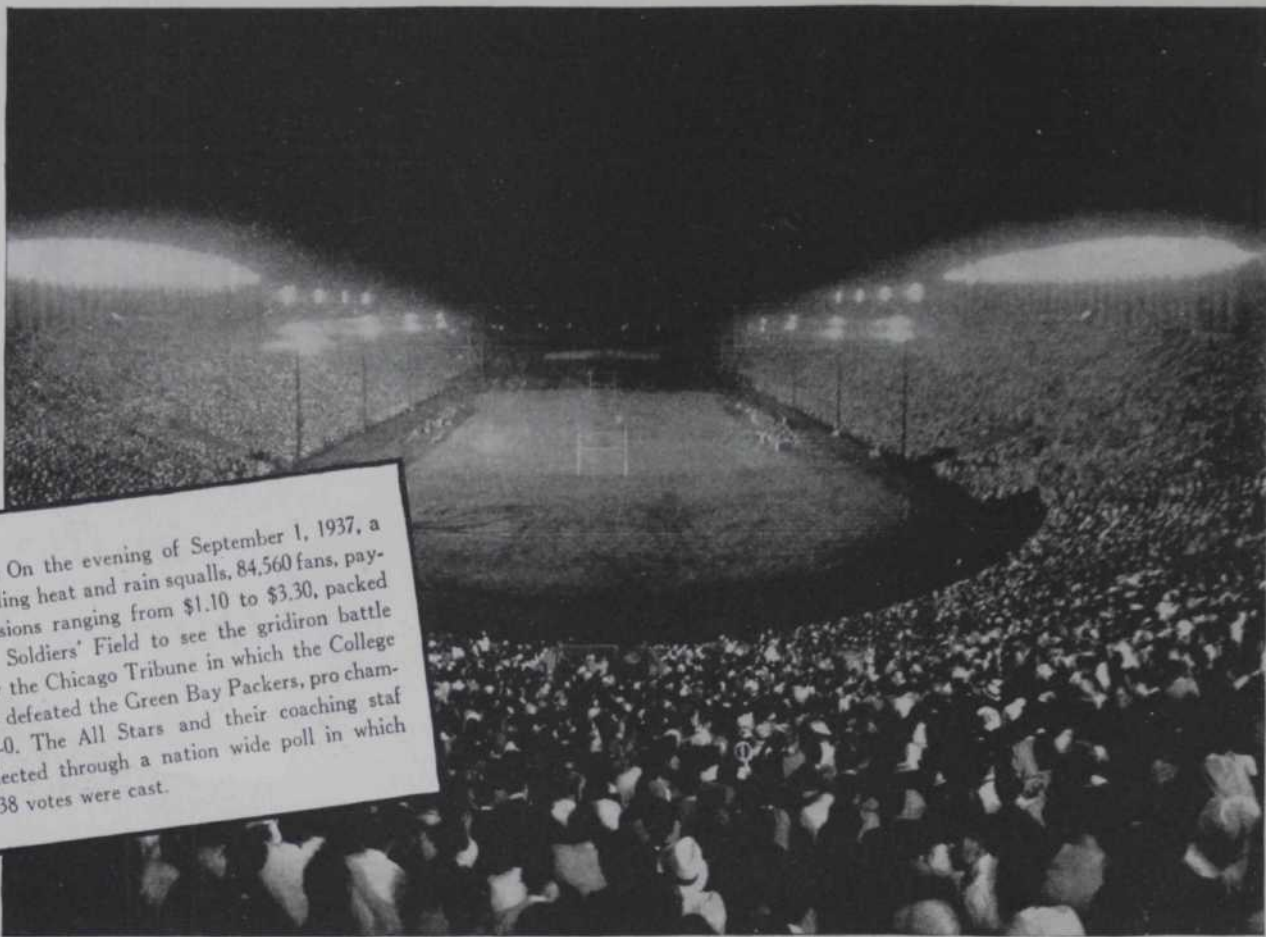
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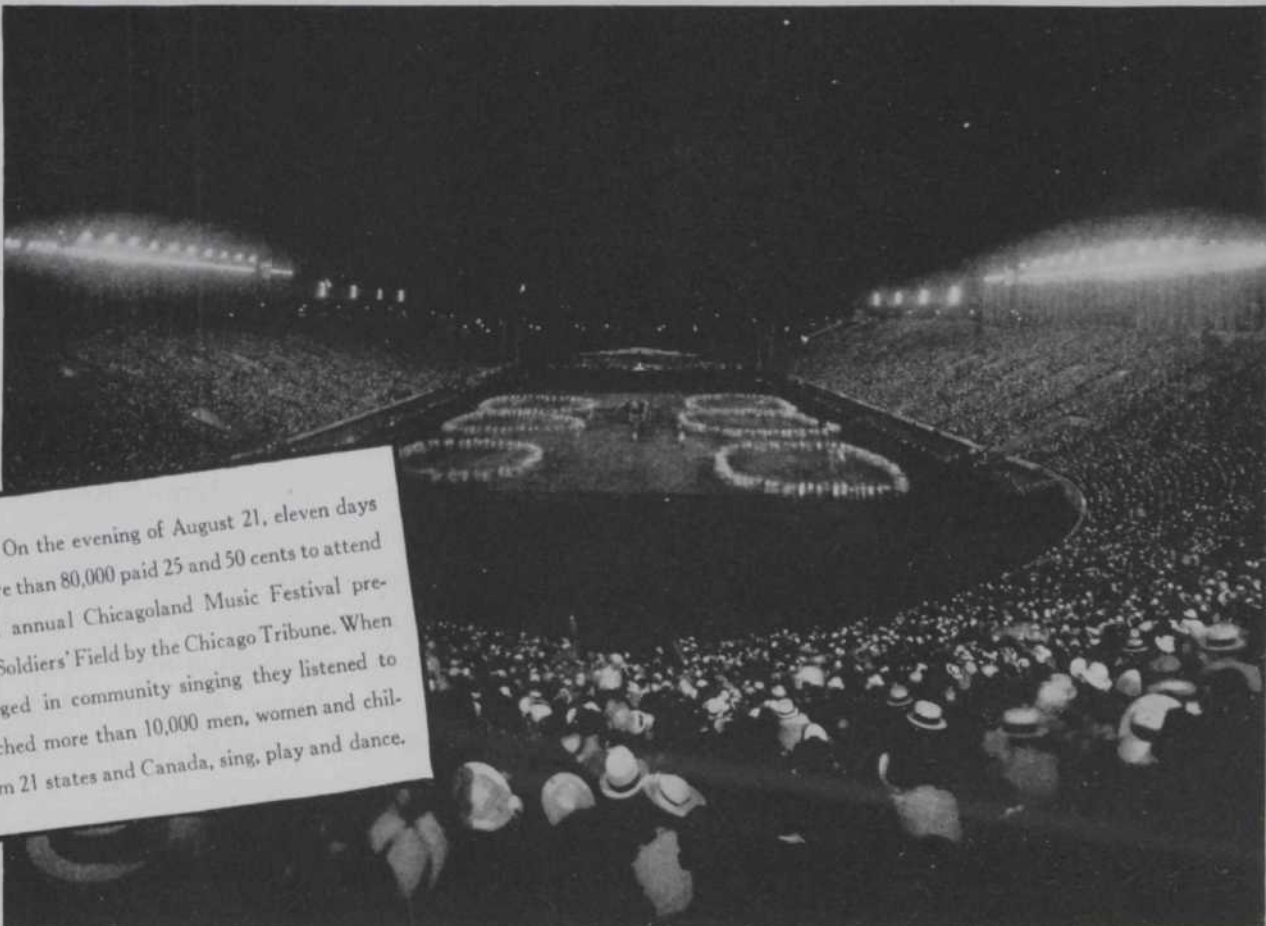
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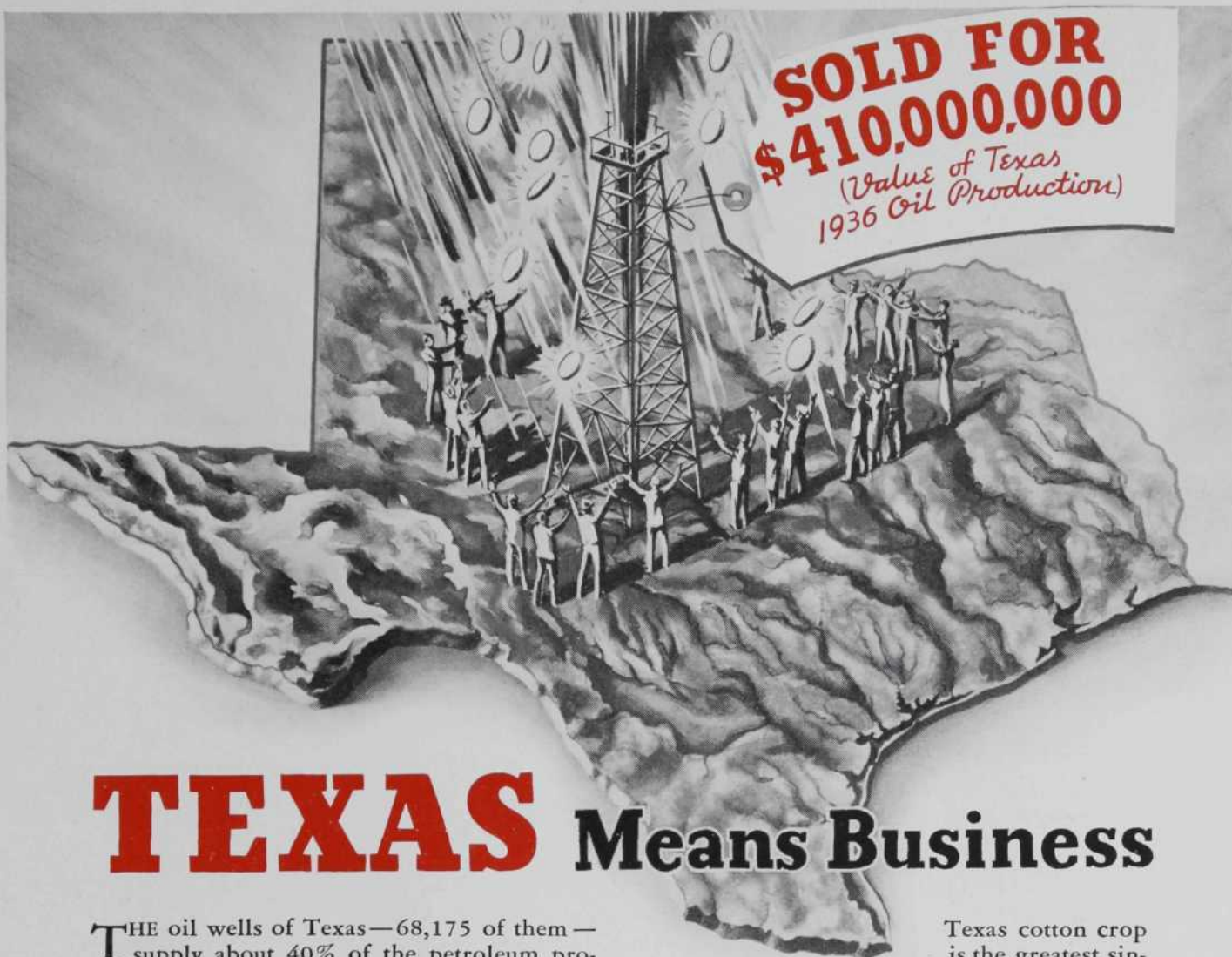


84,560. On the evening of September 1, 1937, a day of stifling heat and rain squalls, 84,560 fans, paying admissions ranging from \$1.10 to \$3.30, packed Chicago's Soldiers' Field to see the gridiron battle staged by the Chicago Tribune in which the College All Stars defeated the Green Bay Packers, pro champions, 6-0. The All Stars and their coaching staff were selected through a nation wide poll in which 11,881,338 votes were cast.



80,000. On the evening of August 21, eleven days earlier, more than 80,000 paid 25 and 50 cents to attend the eighth annual Chicagoland Music Festival presented at Soldiers' Field by the Chicago Tribune. When not engaged in community singing they listened to and watched more than 10,000 men, women and children from 21 states and Canada, sing, play and dance.

Football and music—events such as these illustrate the scope and varied character of Chicago Tribune reader interest. The capacity crowds, only a small segment of the Tribune audience—over 800,000 families daily and in excess of 1,000,000 Sunday—demonstrate the community influence that results in quick, volume response for advertisers.



TEXAS Means Business

THE oil wells of Texas—68,175 of them—supply about 40% of the petroleum produced in the United States today—and hundreds of thousands of acres of potential oil land are yet to be explored. Scientists estimate that nearly 50% of this country's oil reserves lie under Texas soil.

Oil has contributed in many ways to the progress of Texas. Leases, bonuses, royalties and rentals have added millions of dollars to the incomes of Texas farmers, ranchers and other property owners. Money from oil has made possible many of the great endowments that have stimulated the civic and cultural advancement of Texas.

But oil isn't the only valuable product taken from Texas earth. Texas is also the leading producer of natural gas, supplying more than one-third of this fuel marketed in the United States.

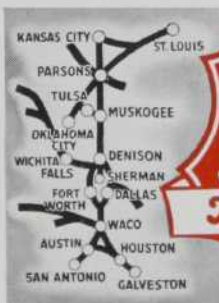
Agriculture, too, brings wealth to Texas—over \$619,000,000 last year. Spinach alone brought \$1,800,000, and peanuts over \$3,000,000; the 1936 Texas corn crop exceeded \$53,000,000; wheat \$18,000,000; grain sorghum \$25,000,000; the

Texas cotton crop is the greatest single crop grown in any one state.

Here in Texas is a huge market with money to spend; a market ready and ripe for concentrated sales activities; a market where sales efforts produce big profits. Texas is on the move! It's busy! It's going places!

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